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## NEWS SUMMARY

### GENERAL

## PM and Gandhi to meet

A meeting has been arranged between the Prime Minister and Mrs. Indira Gandhi, the former Indian Premier, who faces charges of corruption and abuse of power during her 19-month emergency rule.

The meeting, on Monday, was arranged directly by the British High Commission at Mr. Callaghan's request. The request was not routed through the new Janata Government which has started inquiries into charges against Mrs. Gandhi.

British officials in New Delhi said that Mr. Callaghan asked for the meeting because Mrs. Gandhi is a distinguished former Prime Minister. But what will essentially be a courtesy meeting is bound to create controversy, Callaghan in Bangladesh, Page 4.

## Firemen get letter bombs

Striking firemen were given a warning by police to look out for letter bombs after two devices were delivered to homes in Bradford and one to an address in Halifax. The bombs were in hollowed-out diaries with the words "British firemen" on the inside cover. One blew up but nobody was injured.

## Carter pledge on Europe peace

A firm undertaking was given in Paris by President Carter that the U.S. was committed to defending the security of Europe. The President was speaking at the first summit of the Atlantic Council since the end of the Vietnam war.

## Portugal pilots to strike again

Pilots and flight staff on TAP, Portugal's national airline, are to go on strike tomorrow over pay. A stoppage which has just ended cost the company more than \$3m a day. OECD report Page 3.

## Editor loses

The runaway editor of The Yorkshire Miner lost an appeal against conviction after his arrest in the Grunwick picket line. Maurice Jones, 32, of Sheffield, had been fined £50 with £50 costs for using threatening words and behaviour and lost £50 bail because he fled to East Germany.

## Wind power

A huge windmill, designed to generate 3 to 4 megawatts of electricity and costing several million pounds, may be built by the Energy Department to demonstrate the latest technology in wind-powered energy. Back Page: Men and Matters, Page 14.

## Prison plea

Personnel should be given more choice in the future, they have been told by a court in England. The court should be pressed to restrict the number of full sentences, and perhaps be required to give reasons for imprisonment.

## Worldwide...

London: Single bid of £120,000 placed in U.S. dollars at 3-4 on the London market, a general election will be held within six months.

Belgrade: Boris Stankovic, former world chess champion, and his wife, the actress, have been sentenced to 20 years in prison for the 19th time of their 20-year series to find a challenger to Anatoly Karpov, present world champion.

Moscow: Hotel manager who pretended there were no free rooms and then provided visitors with accommodation in return for bribes was sent to a labour camp for eight years.

Bonn: West Berlin Philharmonic in its unprofitable North German tour will perform in May in East Germany for the first time.

## BRIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RICES		ZINC	
Basmati	106 + 9	106 + 6	
Long Grain	106 + 6	106 + 6	
Golden Wonder	106 + 6	106 + 6	
Golden Wonder	106 + 6	106 + 6	
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### BUSINESS

## Downturn in gilts; Wall St. off 4.16

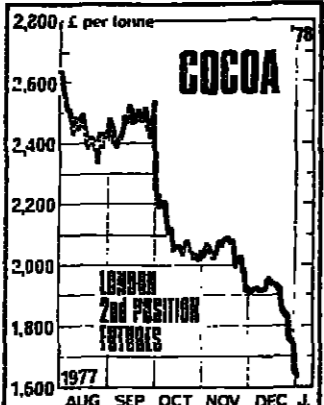
● GILTS made early gains but then turned down as a result of sales to finance take-up of the short tap stock. The FT Government Securities Index slipped 0.22 to 78.36. Record gilt business in 1977, Page 26.

● EQUITIES were generally firm, the FT 30-Share Index rising 2.2 to 487.5.

● STERLING closed at \$1.9620, off 15 points, after touching \$1.9550. Its trade-weighted index rose to 66.2 (66.1). Dollar's trade-weighted depreciation widened to 6.02 (5.97) per cent.

● GOLD rose \$2.75 to \$171.875.

● COCOA prices fell in London to their lowest level for 13 months, reflecting the rise in



the value of sterling and fears of a decline in consumption. Commodity price details, Page 23.

● WALL STREET fell 4.16 to 1,197.75.

● WEST GERMANY is expected to double its imports of U.K. North Sea oil this year, reducing its dependence on Arab oil producers. Page 3. Rise in German unemployment, Page 3.

## Incomes policy must continue, say Ministers

● GOVERNMENT must have an incomes policy to follow the present pay round, according to Mr. Joel Barnett, chief secretary to the Treasury. He said if inflation was to come down to the level of the U.K.'s competitors, earnings growth in the next round must be well below 10 per cent. Back Page.

● INCOMES policy is not a temporary expedient, said Mr. William Rodgers, Transport Secretary. Page 6.

● MINISTERS next week will discuss the future of the Government's special measures to ease unemployment, against a background of EEC concerns about one scheme, the temporary employment subsidy. Back Page. Government has launched a study to see if social security benefits remove the incentive to work. Page 6.

● NEW-STYLE Post Office Board has been named, with seven member directors, seven management directors and five independent members. Back Page. Editorial comment, Page 14. Picture, Page 6.

● HOUSE prices are unlikely to surge ahead this year as in the 1972 boom, but they could rise in line with incomes, possibly by 12 per cent, according to the Nationwide building society chief. Page 4. Extra £100m. for local authority spending on housing. Page 7.

● WESTLAND AIRCRAFT made lower pre-tax profit of £5.84m. (£6.34m.) in the year to September 30. Page 16 and Lex.

● THOS. W. WARD pre-tax profit slipped by 5.9 per cent. to £7.61m. in the year to September 30. Page 16.

● ICL expects an improvement in its unprofitable North American activities this year. Page 16.

# U.S. invokes swap network to stop fall of dollar

BY JUREK MARTIN, U.S. EDITOR, Washington, Jan. 4

The U.S. to-day drew on the weight of the International Central Bank swap network and is own reserves to stop the fall of the dollar on the foreign exchange markets.

The decision to intervene, outlined in a brief joint statement put out by the Treasury and the Federal Reserve at lunchtime to-day, shortly after the European markets had closed, represents a significant change in U.S. policy towards the dollar.

Late this afternoon sterling had fallen to \$1.9570 from \$1.9600 earlier; the D-Mark fell to about DM2.13 from DM2.06 the Yen to ¥243 from ¥237 and the Swiss Franc from Sw.Frs.2.01 from Sw.Frs.1.93.

Trading was described as hectic, though it was unclear if the Fed had actually intervened on the massive scale that was first thought.

The joint statement said: "The Exchange Stabilisation Fund of the U.S. Treasury will henceforth be utilised actively together with the \$300m. swap network operated by the Federal Reserve system. A swap agreement has just been reached with the Bundesbank and is already in force. Joint intervention by the Treasury, Federal Reserve and the foreign central banks is designed to check speculation and restore order in the foreign exchange markets."

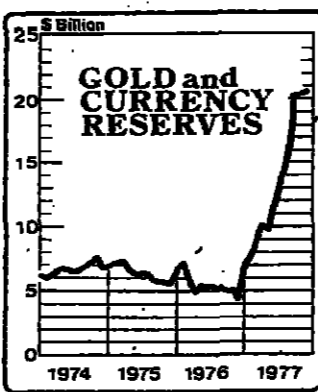
The Exchange Stabilisation Fund stood at \$4.7bn. at its last official measurement, dating back to June 30 last year. The swap network totals rather more than \$21bn.

The new West German swap agreement, reached within the past 24 hours, it is understood, is additional to the \$2bn. arrangement with the Bundesbank available under the existing facility. However, U.S. Treasury officials declined to disclose the size of the new agreement.

Some foreign exchange dealers were none the less inclined to feel that activation of the swap network might turn out to be no more than a holding action, pending more substantive measures, such as the enactment of a satisfactory Energy Bill, designed to attack the large U.S. trade and current account deficits.

President Carter commented in Paris last night that U.S. efforts would be directed towards maintaining the strength of the dollar.

The careful wording in the joint statement of the intent to "check speculation and restore order" to the foreign exchange markets indicates a much more concerned policy on the part of the Administration, particularly in contrast to the regime of the past six months.



## £ falls in New York

By Peter Riddell, Economics Correspondent

THE POUND fell sharply last night in New York following the announcement of the swap arrangement. The rate dropped by 87 cents to \$1.9570, one of the largest daily movements ever recorded. This is in sharp contrast to earlier in the day in London when sterling had risen to just short of the \$2 mark, so there was a fall of 12 cents from the day's peak.

Last night's move will mainly come as a relief to the U.K. authorities. Some senior Treasury officials had become concerned about the possible impact of the recent sharp rise in sterling—51 per cent. against the dollar at the London close since Christmas—on the competitive position of exports.

The official view has been that a large part of the recent upward pressure on sterling has resulted from the weakness of the dollar. There may be some surprise at the extent of last night's fall and the closing level in New York would probably not be regarded as excessive by the U.K. authorities. There will, however, be close interest to see if this rate can be sustained in view of the expected large current account surplus this year.

The Government had anyway been adopting a wait-and-see attitude in the hope of international moves. Officials have believed that there were relatively few effective ways of stemming the inflows and holding down the exchange rate without threatening domestic monetary policy.

The main developments in London before the news of the swap arrangements were:

● An early rise in sterling of more than three cents to \$1.991, which was soon checked after limited intervention by the Bank of England and some profit-taking. The pound closed 15 points down the day at \$1.9620 while the trade-weighted index

Continued on Back Page

## PLO man killed in London office

BY RICHARD JOHNS

MR. SAID HAMMAMI, representative of the Palestine Liberation Organisation in London since 1971, was killed by unidentified gunmen in his Mayfair office yesterday.

As Commander Juv. Nevill, chief of Scotland Yard's anti-terrorist squad, took charge of the hunt, plain-clothed and uniformed police officers mounted a close vigil at Heathrow Airport.

Mr. Hammami's death in the basement of the Arab League's office in Green Street, W.1, follows the car-bomb explosion four days ago, in which a Syrian diplomat and his chauffeur died in nearby St. James's Street. Mr. Hammami was close to Mr. Yasser Arafat, chairman of the PLO. However, he had come under criticism recently within the Palestinian movement because he was reckoned to be too moderate in his views about the prospects for a Middle East settlement.

This autumn, Mr. Hammami, who was 34, took part in a seminar organised by the Parliamentarian Association for Euro-Arab Co-operation at which several leading Israeli "doves" were present. Initial speculation, inevitably, was that his killers were "rejectionist" Palestinian elements opposed to any settlement with Israel.

But pro-Palestinian elements "claimed that he was killed by Zionist and imperialist" assassins of Mr. Hammami and said that it would hold the British Government responsible until the identity of the killers was revealed.

Commander Nevill said last night that Mr. Hammami was shot after a man, who had the Palestinian movement previously made an appointment with him, was shown into his office. After looking down a burst of automatic fire the man ran out, brushing aside a student who was working in another room.

"Mr. Hammami died instantly," said Commander Nevill. "We are looking for a suspect who is male, of Middle East origin, aged 24, about five foot eight inches tall, wearing a green overcoat and with dark hair and a shaven complexion."

Protection for Arab and Israeli missions in London was stepped up after the shooting in Scotland Yard after the shooting.



Said Hammami

## Investment plans trimmed

BY DAVID FREUD

BRITISH manufacturing industry appears to have scaled down investment plans for 1978 since the summer, although the level of capital spending should still show a significant improvement.

The Department of Industry's latest survey of investment intentions indicates that the year-on-year increase between 1977 and 1978 will be in the range of 10 to 13 per cent. in real terms. This is the second downward revision. In June an increase of more than 20 per cent. was forecast, while the August-September survey indicated an increase of between 12 and 17 per cent.

A preliminary forecast for 1979 shows a smaller increase but it could be enough to take the total up to the peak £2.1bn. in 1979 prices—invested in manufacturing industry in 1970. The Department's figures for 1978 fall midway between the recent forecast of 8 per cent. in the National Institute's Economic Review and the 15 per cent. so anticipated by the Confederation of British Industry and the London Business School.

At constant 1970 prices the total invested in 1978 is expected to be £1.98bn., compared with the £1.8bn. estimated for last year. This is below the level recorded in 1974, which was £2bn.

The Department of Industry said that it saw the downward revision as being only marginal. The 10-13 per cent. rate of increase was well ahead of the historical average of 3 per cent. annually between 1955 and 1973. The factor underlying the downward revisions is probably the iron and steel sector, the only one expected to show a fall in investment. This sector also distorted the trend in the first

nine months of 1977, when manufacturing investment increased 13 per cent. over 1976 excluding iron and steel, and by 7 per cent. when they were included.

The survey indicated that there would be large increases in investment by coal and petroleum producers and vehicle industries and a fairly large increase by the chemicals industry.

Little change is expected for the food, drink and tobacco groups, which increased their investment insignificantly between 1976 and 1977.

In contrast to the downward revision in manufacturing industry, there was a slight increase in the expected investment rise in the distributive and service industries—from 5.7 per cent. to 6.8 per cent. The forecast, at 1970 prices, is for £2.2bn. to be invested, compared with £2.1bn. last year.

Editorial Comment Page 14

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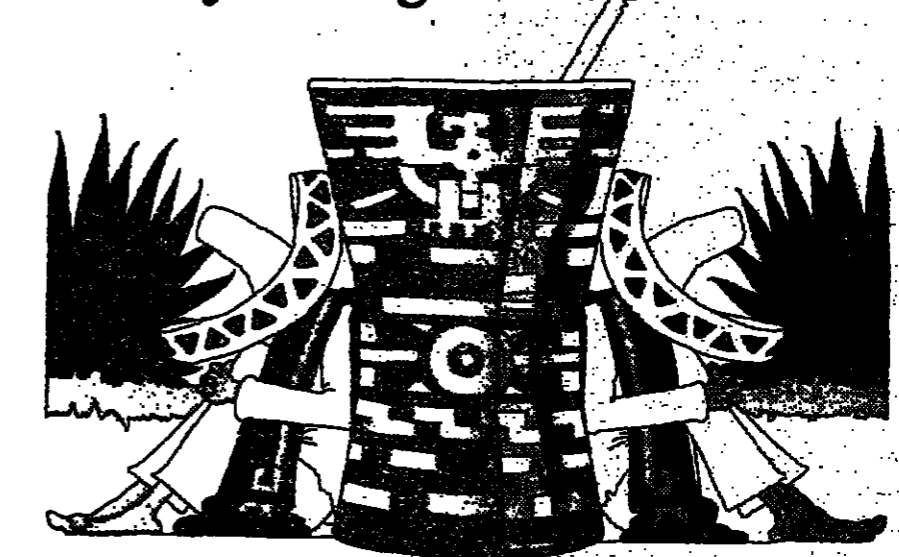
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## EUROPEAN NEWS

## CARTER VISIT TO FRANCE

## U.S. resolve to maintain troops in Europe confirmed

BY ROBERT MAUTHNER

PARIS, Jan. 4.

PRESIDENT Jimmy Carter gave a firm undertaking here tonight that the U.S. was committed to defending the security of Europe, and would continue to give its unqualified support to EEC efforts to strengthen European co-operation.

The U.S. President was speaking on the first day of his three-day official visit to France, the longest stop of his current world tour.

"There should be no doubt that we will maintain in Europe whatever forces are needed to meet that commitment," Mr. Carter told a joint meeting of several U.S. organisations in France. He added that the U.S. saw European strength and unity as a boon and not as a threat. "The real threat to all our interests would be economic weakness and disunity," he said.

Earlier in the day, Mr. Carter had made a special effort to underline the great improvement which had taken place, he claimed, in Franco-U.S. relations since M. Giscard d'Estaing and he had been elected to the presidencies of their respective countries.

In his arrival speech, he paid a warm tribute to President Giscard and to the French Prime Minister, M. Raymond Barre, for "the very helpful advice" which he had received from them on international political and economic issues. He also described the relationship between

the U.S. and France as "special and rare," because it was largely an alliance of ideals.

The U.S. President and his host delighted Parisian crowds by strolling casually down the Champs Elysees, after a wreath-laying ceremony at the tomb of the unknown soldier, and shaking hands with by-standers, to the consternation of nervous security guards.

The exuberant reception, when Mr. Carter plunged into the crowds and shook hands, like a politician campaigning in the U.S., emphasised the new spirit of friendship which has displaced years of suspicion between the U.S. and France, as well as the personal rapport which the two Presidents struck up when they first met in London in May.

## Western defence

The two leaders later had a first round of talks lasting 11 hours. The subject which they are due to discuss during Mr. Carter's visit will cover international economic problems, western defence, the Middle East, east-west relations, disarmament, energy problems and human rights.

Mr. Carter referred to some of these issues in his speech to-night, stressing the U.S. commitment to the security of Europe, he emphasised that the U.S. wanted to move beyond confrontation, to resolve the differences between east and west and to progress towards arms control and disarmament.

The U.S. was determined to

seek balanced and mutual limits on the qualitative and quantitative deployment of nuclear weapons, leading to the eventual elimination of nuclear arms as a potential destructive force among the nations of the world.

The U.S. was also determined to seek an early agreement on a comprehensive nuclear test ban, covering military weapons and so-called peaceful nuclear devices, and to work for a substantial reduction of international trade in conventional arms.

Mr. Carter recognised that the U.S. and French approaches to these issues differed, but he promised that his country would consult and co-operate closely with France and other allies in finding common solutions.

The differences to which he referred lie in the French intention to continue testing nuclear devices, in order to perfect an independent nuclear deterrent, and the conditions which the French have attached to joining an international arrangement for restricting arms sales. The French emphasised that such an agreement would prove to be ineffective, unless it were adhered to by the Soviet Union and other eastern European nations.

The two leaders plan to fly by helicopter to-morrow morning to Normandy to visit the beaches on which allied troops began in 1944 to roll back German forces. They are to hold further talks during a two-hour train journey on their way back to Paris.



President Carter and his wife (left) greeted in Paris by President and Mme. Giscard d'Estaing.

## Mitterrand would still rule with Communists

BY OUR OWN CORRESPONDENT

PARIS, Jan. 4.

M. FRANCOIS MITTERRAND, the Socialist leader, said here to-day that his party was still prepared to form a joint Government of the Left after the next general election in March in spite of its differences with the Communists.

The Socialists were as attached as they ever were to the original common programme of the Left, worked out in 1972. If the combined forces of the Left won the election, the Socialists would make proposals to their partners for the formation of a Government including the Communists.

M. Mitterrand also indicated that his party was prepared to come to an arrangement with the Communists under which they would present joint candidates in the vital run-off round the elec-

tion on March 19. In spite of these conciliatory remarks, M. Mitterrand did not appear to be hopeful that the Socialists, Communists and left-wing Radicals could patch up their dispute over the updating of the common programme, which led to the breakdown of their alliance in September.

After emphasising that time should not be under-estimated, it was questionable whether the purely Socialist version of an updated common programme of the Left, setting out the policy differences with the Communists in detail.

He made one significant concession to the Communists. After last covering a host of important issues, the Socialists have health and social security, labour, the Communist proposal for a monthly national minimum wage should be raised to

Fr5,240 (about £286) for a 40-hour week, after the formation of a left-wing government.

Originally the Socialists had proposed that it should be Fr5,200. The Socialist programme, published as a book, argues in its introduction that while the differences between the two sides should not be under-estimated, it was questionable whether the policy had also been overcome by a joint group of experts.

Although it does not minimise the differences between the Socialists and Communists over the nationalisation programme, the left-wing version of the programme is the best single sticking point in the negotiations, the Socialist programme underlines the concessions made by the Socialists to their Communist partners.

On other questions, such as the retirement age and rises in family allowances, agreement was virtually assured. The disagreement over nuclear defence policy had also been overcome by a joint group of experts.

As early as last July, the delegations of the three left-wing parties had agreed on a joint programme of the Left, which was the best single sticking point in the negotiations, the Socialist programme underlines the concessions made by the Socialists to their Communist partners.

On other questions, such as the retirement age and rises in family allowances, agreement was virtually assured. The disagreement over nuclear defence policy had also been overcome by a joint group of experts.

## Poland move on human rights

Poland's dissident human and civil rights defence movement yesterday claimed a victory after the formal publication in Warsaw of the UN human rights covenants. Reuter reports.

The two covenants—one on civil and political rights, and the other on economic, social and cultural rights—were adopted by the UN in 1966, but only came into force 10 years later after 35 States ratified them.

Poland ratified them last March and has published them in a magazine and book form, but the movement said that until they were published in the official gazette they would not acquire the force of law.

## Cyprus elections

The Cyprus Communist Party leader Mr. Eekaldas Papaioannou said yesterday he will not contest next month's Presidential election, although his party, Akel, is "the biggest" in Cyprus, UPI reported from Nicosia.

## German loan

The federal loan consortium will meet at the Bundesbank on January 11 to set the conditions for a new federal railway loan, a Bundesbank spokesman said yesterday. Reuter reported from Frankfurt. It is likely to total up to DM1bn.

## Soviet population

The population of the Soviet Union reached 260m. on January 1, a rise of 2.2m. over the past year—the Government newspaper Izvestia reported yesterday. Reuter reported from Moscow.

## Ecevit sets priorities to tackle Turkey's problems

BY METIN MUNIR

ANKARA, Jan. 4.

MR. BULENT ECEVIT, Turkey's new Prime Minister, to-day announced his government's priorities. They include settling political violence, foreign policy and the economy.

Mr. Ecevit was named Prime Minister last Sunday. His government is formed of his own Republican People's Party (RPP) and is supported by 14 Right-wing deputies.

Thirteen of the 14 deputies are expected to be given seats in the Cabinet which is probably to be announced to-morrow. The total number of seats will be boosted from the present 39 to accommodate the extra posts.

In a joint declaration by Mr. Ecevit and the deputies the new government said: "We believe in the necessity of instituting and enforcing national unity. The principal condition for this is that ideas can be discussed without leading to armed clashes. This was apparently a reference to the political violence which has caused great bloodshed and undermined discipline in Turkish universities over the past years."

"In the foreign field, our policy will be directed not at tension, but relaxation and to peace, not confrontation," the document continued. "Although keeping in mind the importance of our alliances, emphasis will be laid on formulating a national defence concept which will give

priority to our own national requirements in the very sensitive region where Turkey lives." The joint declaration did not make any concrete proposals. Since defeating Mr. Süleyman Demirel's tripartite coalition and forcing him to resign, Mr. Ecevit has given very little idea of how he is going to come to grips with Turkey's problems. What is also a mystery is how much power the 14 deputies who support him will enjoy and how they will exercise it.

Eleven of these deputies are independent assembly members who recently came to Mr. Demirel's Justice Party (JP), causing his parliamentary overthrow. The other three belong to two Right-wing parties.

Mr. Demirel to-day condemned the alliance of Mr. Ecevit with the former members of his party and accused him of "establishing the dictatorship of his minority." Mr. Ecevit, he said, was "stabbing democracy in the back."

There is speculation that having lost the premiership and having been unable to prevent the splintering of his party, Mr. Demirel may face a revolt and lose the chairmanship of the JP. It is virtually certain that Mr. Ecevit's Government will be ratified by the president and win the confidence in the National Assembly. His Government is expected to take control of the 450-member parliament which will give

the present Italian political formula. But while a number of leading Christian Democrat Party members have said lately that they accept in principle the idea of giving the Communists a wider role in the governing process, they have not yet agreed to any direct participation of the Communist Party in the Government as such.

However, despite their official position, the Communists, whose centre committee is to meet later this month, appear to be divided over how to tackle the present delicate political situation.

The trade unions, whose leadership is scheduled to meet to-morrow to decide whether to call a one-day general strike against the Government's latest economic package, now also seem to be divided.

Although they have continued to express dissatisfaction with the Government's economic policies, they have nevertheless said that they are still prepared to maintain an open dialogue with the Andreotti administration.

## Fiat executive shot dead

BY OUR OWN CORRESPONDENT

ROME, Jan. 4.

TERRORISTS TO-DAY shot dead a Fiat executive and seriously wounded another at Frosinone, 50 miles south of Rome.

The Italian car manufacturing company has become one of the principal targets of Italian urban guerrillas in recent months. Last year, a number of Fiat officials were victims of terrorist attacks, mainly attributed to the extreme left-wing "Red Brigades" group.

This movement has been at the forefront of the revival of the so-called "strategy of tension" in Italy, and has been particularly active in the northern city of Turin, the headquarters of Fiat.

The Red Brigades are reputed to have links with West German terrorist organisations and are understood to have contacts with the Czechoslovak Government.

There were also incidents of political violence in the northern region of Padua to-day when extremists threw incendiary bombs against a regional office and against a police station.

Reuter adds: Several petrol bombs exploded in the Rome office of the Italian daily newspaper Corriere della Sera to-night, causing small fires and injuring the newspaper's doorman.

And in Italy's first reported kidnapping of the year, bandits armed with pistols and sub-machine guns abducted the 35-year-old proprietor of a building supply company, police told UPI in Rome.

# 3,500 extra Olivetti TC800 systems reinforce banking services in Japan. Banks know whom to trust.

## The problem

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## EUROPEAN NEWS

# W. Germany likely to buy 12m. tonnes of British oil

BY GUY HAWTIN

FRANKFURT, Jan. 4.

SALES OF British North Sea oil to West Germany will more than double this year, according to a report published today. It states that imports of North Sea crude should rise from last year's 5m. tonnes to 12m. tonnes.

The report—produced by Esso, the West German subsidiary of the Exxon oil company—estimates that some 16 per cent. of the federal republic's total oil supply will be satisfied by German and European crude oil. This compares with last year's 10 per cent.

Reading between the lines, the growth has come almost entirely from imports of British crude. In 1976, imports of oil were negligible, but by September last year, imports of British North Sea crude were satisfying some 7 per cent. of West Germany's total oil needs.

If Esso's forecast is correct, there will be a major switch in West Germany's oil purchasing policy. The country will be cutting back its reliance on the OPEC oil producers of the Middle East and increasing its dependence on its European Economic Community ally from which it can expect a more

politically stable source of supply.

Esso estimates that oil demand in West Germany is likely to grow by only about 1 per cent. next year—from 1976's 128m. tonnes to about 129m. tonnes. This will satisfy just over 50 per cent. of the federal republic's total energy needs.

The main reason for the stagnating oil demand is the slow growth rate in gross national product forecast for the year. In comparison, coal consumption is predicted to grow by 1.5 per cent., natural gas by 5 per cent. and nuclear power by 15 per cent.

Demand for fuel oil for industrial and domestic use is likely to remain unchanged, says Esso. However, sale of petrol and diesel oil is expected to increase by 2 per cent.

Utilisation of West German refining capacity is expected to rise from just under 90 per cent. to 95 per cent., while imports of finished oil products are expected to decline by about 4 per cent., primarily as a result of the rise in imports of light North Sea oil.

## E. Berlin bars Der Spiegel journalist

By Leslie Collett

BERLIN, Jan. 4.

EAST GERMANY says it is barring the new correspondent for the West German news magazine Der Spiegel from taking up work in East Berlin, in retaliation against reports in the magazine of an alleged opposition Eurocommunist movement in East Germany, which wants both Germans to leave their military alliances and begin steps towards reunification.

The reports on the East German opposition group are largely being discounted by knowledgeable East Europeans and Westerners residing in East Berlin.

The Spiegel correspondent is the third West German journalist to be excluded from East Germany since 1975, and the East German move follows accusations that a number of West German correspondents have links with BND, the West German intelligence agency.

East Germany's leader, Herr Erich Honecker, has singled out the West German media as being responsible for "poisoning" the political climate between East and West Germany. Behind these charges lies the difficulty East Germany has in coming to terms with West German correspondents circulating inside East Germany, as agreed on when the two Germans signed their basic relations treaty in 1972.

The East German Foreign Ministry has also issued a sharp warning to the East Berlin correspondents for West Germany's second television channel, charging him with "slander and distortion" in a commentary on the Spiegel article.

The correspondent, Herr Dirk Sager, has reported in depth from East Germany for West German television, and his interviews with East Germans are avidly followed by viewers in East Germany, most of whom can receive West German television.

# OECD urges Portugal to adopt rigorous restraint

BY ROBERT MAUTHNER

PARIS, Jan. 4.

PORTUGAL'S ECONOMIC situation continues to be serious and the Portuguese authorities have little room for manoeuvre given the over-riding need to cut the large current external deficit and to curb inflation, according to the latest OECD review of the Portuguese economy.

The report, which was prepared just at the time the Portuguese government of Sr. Mario Soares was defeated in a confidence vote, emphasises that it is not possible to discuss the country's economic prospects for 1978 in precise terms until the economic policy options of a new government are fully known. But, nevertheless, it strongly urges the Portuguese authorities to adopt restrictive fiscal and monetary policies to ensure a recovery of the economy.

Noting that, contrary to official expectations, the current external deficit in 1977 remains roughly at its 1976 peak level of \$1.2bn., the OECD secretariat points out that a considerable volume of long-term funds from official sources will become available in 1978 to finance a large part of the deficit, but only on the assumption that it is brought down to \$800m. in keeping with the official target. This would be difficult to achieve without resolute stabilisation measures.

Not a substantial reduction of the payments deficit likely to

be attained if the economy is allowed to grow this year by 3 to 4 per cent. as was the objective of the last Government.

The Portuguese authorities cannot count on any substantial inflow of private long-term capital before a significant improvement in the prospects for

ment, which could produce quick and sizeable effects on the balance of payments, therefore seems inevitable according to the OECD.

The report issues a special warning about the continuing dangers of inflation, after a rise in consumer prices of as much as 27 per cent. in 1977. The fact that the purchasing power of wages probably declined significantly last year and might therefore lead to a "catching up" process in the current year, presents a big risk of further acceleration in the price-wages spiral. Without necessarily boosting economic activity, very rapid inflation would clearly have an unfavourable effect on the balance of payments.

The OECD, therefore, advises Portugal to use all possible methods of cutting inflation, short of a sudden, savage deflationary package.

After criticising the last Portuguese Government for belatedly recognising the indispensable role of monetary and credit policy in any stabilisation effort, and complaining of the lack of adequate and up-to-date statistics, the OECD nevertheless feels that there are a number of positive aspects in recent economic developments. "It is clear," the report says, "that appropriate policy measures could produce significant improvements in the situation."

## Belgium reduces bank rate to 8.5%

BRUSSELS, Jan. 4.

BELGIUM cut bank rate to 8.50 per cent. from 9 per cent., effective tomorrow, the National Bank said.

The Bank said the rate for normal advances, the Lombard rate, is also cut to 8.50 per cent. from 9 per cent., effective tomorrow.

The rate for special advances outside commercial banks' normal discounting quotas is cut to 8.75 per cent. from 9.25 per cent., also effective tomorrow.

The cut in bank rate surprised the market, bankers and foreign exchange dealers said. They said a cut from the crisis level of 9 per cent. had been expected later this month after Belgium had reduced its debt of BFRs.23.4bn. to the European Monetary Co-operation Fund.

The rate was last changed on December 14, when it was raised to 9 per cent. from 7 per cent.

Reuters

# Unemployment rate up to 4.8%

BY ADRIAN DICKS

BONN, Jan. 4.

UNEMPLOYMENT in West Germany rose once again in December. The total number of people out of work increased by 88,388 to 1,09m., bringing the unemployment rate up from 4.4 per cent. to 4.8 per cent. — the same as it was in December, 1976.

At the same time, there was a further slight drop from 159,000 to 158,900 in the number of positions waiting to be filled.

The increase in December is largely explainable from normal seasonal factors, and indeed the president of the Federal Labour Office, Herr Josef Stügel, said that milder weather than usual during last month had helped keep the increase in unemployment lower than might have been expected.

Although the December figures gave little cause for surprise, they bring to an end the third year in which the West German unemployment rate has on average remained above the 4 per cent. mark. Herr Stügel and the representatives of all the major political parties in the Bundestag warned that this was a development that West

Germany must not allow itself to take for granted.

Broken down, the December figures continue to point to a higher rate of unemployment among women than among men, and to rather more joblessness among those interested in part-time work than in full-time work — again, a category that includes more women than men. There was a further slight increase, to 97,000 in the total of people under 20 out of work, and a rather bigger increase to 105,000 in the number of unemployed foreign nationals.

Not surprisingly, the December figures have been taken up immediately by the employers' federation as ammunition in its members' forthcoming trial of strength with the trade unions over 1978 wage settlements. The federation warned once more that only reduced pressure on the cost side could induce companies to undertake the investments necessary to create more jobs.

Similar advice to the unions to moderate their wage claims came from the Free Democrats, senior partners in the coalition Government.

In another development, the

Berlin-based German Institute for Economic Research (DIW) sought to-day to bring some perspective to the argument, still growing in West Germany, about the harmful effects of imports from the developing world on domestic employment.

According to the DIW, "nearly all the workers who have been laid off as a result of imports could find new jobs in export production"—although it concedes that about half would have to adapt themselves to new industries and to learn new skills.

The Institute concludes that from the standpoint of domestic employment, there is no case to be made against the federal republic's traditional free trade policies and that "demands for protection are limited essentially to the representatives of a few particularly hard-pressed sectors." The DIW calls for similar research to its own to be carried out in other member-states and suggests that this ought to be the basis of discussion under the Community of trade policies towards the developing world.

# Economic obstacles for Soares

BY DIANA SMITH

LISBON, Jan. 4.

PORTUGAL'S balance of payments deficit and, while the IMF waits for a new Government to be appointed, is one of the major stumbling blocks to Soares' efforts to ensure a stable Government.

The package, still outstanding while the IMF waits for a new Government to be appointed, is one of the major stumbling blocks to Soares' efforts to ensure a stable Government.

Meanwhile, in the absence of any formal legislation regulating Portugal's finances in 1978, Parliament has approved the floating of a state loan over \$1bn. to cover immediate budgetary needs. At the same time, the OECD report on the Portuguese economy published to-day reflects Portugal's major challenge: reduction of her external deficit, and containment of inflation, which, according to recent figures, reached 29.5 per cent. in 1977.

At the same time private Portuguese industrialists, who say they still account for 95 per cent. of all employment, 98 per cent. of all exports and 89 per

cent. of production, are not investing in spite of a large and what they call "atrophied, chaotic, ruinous sector."

They want a drastic review of strike laws, holiday laws, compensation laws, and above all, the laws defining the frontiers between the private and public sectors, and hope that the Christian Democrats' participation in Government will ensure this.

Industrialists say these laws make it impossible at the moment for private enterprise to function effectively and on a fair basis. They are also asking for permission to set up private merchant banks.

Although the Portuguese public has grown increasingly indifferent to the question of who does or who does not take part in the new government, Portugal's financial and economic problems in themselves, according to the vast majority of observers, cry out for a rapid formation of a new cabinet.

## Fish subsidies anger Danes

By Hilary Barnes

COPENHAGEN, Jan. 4.

THE DANISH fish processing industry is expected to urge the Government to protest against wage subsidies paid to U.K. fish processing plants, according to Mr. Lefl Goethe, director of the Danish Fish Industry and Export Association.

Mr. Goethe said that according to his information, British fish processing plants are able to obtain a subsidy of up to £20 a week per employee in order to prevent companies from having to lay off or dismiss workers when raw materials are in short supply. He said the Danish industry receives no subsidies and is concerned at the distortion to competition embodied in the U.K. subsidy.

Denmark is making the question of subsidies to industry in general in the EEC a matter of priority in its term as president of the Council of Ministers during the first half of this year.

The U.K. is one of Denmark's main markets for processed fish products. In 1976, exports of canned and processed fish amounted to almost 7m. tonnes and will be about the same this year.

# Porsche 928. Car of the Year 1978.



## Remarkable or rational?

The Porsche 928 is a totally new, V-8 powered, luxury 2 + 2 Coupé. Its overall specification and excellence dictate a price that puts it within reach of only the most fortunate. Yet it has been voted Car of the Year 1978 by a jury of 51 internationally recognised motoring journalists. To some, a remarkable choice. But to those who appreciate Porsche's acknowledged leadership in technological innovation,

Longlife construction principles, proven reliability and attention to the smallest detail, it was a perfectly rational choice. The first right hand drive 928's will be delivered in June, 1978. British specification will include air conditioning, Porsche self-seeking stereo radio/cassette unit, automatic or 5 speed manual transmission. Projected price: £18,750 inclusive of taxes.



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## AMERICAN NEWS

## U.S. Steel confirms plan to shut down Ohio plant

BY STEWART FLEMING

NEW YORK, Jan. 4

MR. EDGAR SPEER, the chairman of United States Steel, has confirmed that the company will be closing steel-making facilities in the Youngstown, Ohio, area which provide around 5,000 jobs.

The statement by Mr. Speer follows months of speculation about the future of steelmaking in the Youngstown district, which is already facing a grim future following the decision by Youngstown Sheet and Tube last September to shut facilities also employing around 5,000 people.

The Youngstown Sheet and Tube move contributed to a wave of protectionist sentiment which helped to unite the steel industry and over 100 Washington politicians in pressuring the

Carter administration to protect the U.S. steel industry against what was seen as unfair import competition.

The closure also dealt a devastating blow to the economy of the Youngstown region, with some small communities there heavily dependent on the steel industry for employment, facing unemployment rates of around 30 per cent.

A closure by U.S. Steel of the sector suggested would further undermine the economy of the region. Although U.S. Steel is saying that no firm decision has been taken on closures and no timetable set, Mr. Speer's statement is certain to spark fierce local opposition which could again spill over into Congress.

Mr. Speer cited the movement of industry away from the industrial North-east and Mid-west to the South and West among the reasons for the planned closure. U.S. Steel has decided that it cannot put new western plants into its outdated Youngstown facilities because of their poor location.

Ironically, Mr. Speer's remarks come the day after the Carter Administration announced some details of its proposed trigger system for controlling steel imports, one of whose objectives is to save steelworkers' jobs. The U.S. Steel policy underlines the fact that it is not just imports, but also the existence of outdated facilities, which accounts for the U.S. steel industry's troubles.

## Chilean referendum goes ahead at army and police insistence

BY HUGH O'SHAUGHNESSY

CONFUSION surrounded the national consultation, staged by Gen. Augusto Pinochet, the Chilean President, yesterday on the question of whether the voters would support him against a resolution in the UN General Assembly condemning the violations of human rights in Chile.

In the absence of electoral rolls, which were destroyed by the junta soon after it seized power in 1973, voters in the referendum presented their identity cards at the hastily-prepared polling booths.

But, contrary to earlier indications, Gen. Pinochet decided not to declare invalid those cards which had not been punched at the polling booths as a sign that their owners had voted. Nor were voters obliged to leave their fingerprints at the booths, contrary to what had been planned earlier.

Officers in the armed forces and police have been encouraged to vote, but non-commissioned officers and other ranks were told not to vote.

Confusion also surrounded the question of which of the three colleagues of Gen. Pinochet in the ruling junta, the commanders of the air, navy and army, and the gendarmerie support, and which reject, the idea to hold the consultation.

Gen. Gustavo Leigh, the air force commander, has denied authorship of a letter, attributed to him by the Spanish publication *Cambio 16*, which condemned the whole idea in strong

terms. Nevertheless, it is thought that Gen. Leigh and Admiral Emilio Merino, the navy commander, have strong reservations about the consultation, as the president calls it.

However, Gen. Pinochet appears to be supported by Gen. Cesar Mendoza of the gendarmerie, and by the army and the navy, and therefore would have the whip hand over the two smaller services in any confrontation.

Gen. Pinochet and Gen. Mendoza have shrugged off a strongly

worded appeal from the Catholic church in Chile that the consultation should be cancelled, or at least suspended.

Police have moved against those who have publicly sought to persuade voters to vote no. The communications media have been carrying exhortations from Gen. Pinochet to vote yes.

The state of siege and the curfew, which have been in force in Chile since September, 1973 (when the military crushed the regime of the elected Socialist President, Dr. Salvador Allende), were not lifted for the poll.

## Canada to build new frigates

The Canadian Defence Minister, Mr. Barre Danson said that the Government has approved plans to build six new patrol frigates at a cost of \$1.5bn. Reuter reports from Ottawa.

The program would create 4,000 jobs, he said. All the ships can be built in Canada, but two consortia, which have not been chosen, would probably work with design teams from other countries in building the ships to be launched between 1985 and 1989, he added.

## Retail sales up

U.S. retail sales rose by 1.7 per cent to a seasonally-adjusted \$13.8bn in December 1979, ended December 17, from \$13.58bn, the previous week, the Commerce Department said. Reuter reports from Washington.

## Great Atlantic and Pacific Tea loss

GREAT ATLANTIC and PACIFIC Tea chairman Mr. Jonathan I. Scott said third quarter operating loss of \$2.4m was because rising costs, especially labour, were not offset by sufficient sales increases. The overall results were virtually unchanged from estimated figures released on December 13.

## GT. ATLANTIC &amp; PACIFIC TEA

Third Quarter	1979	1978
Revenue	1.8bn.	1.8bn.
Net profits	\$5.0m.	5.1m.
Net per share	\$0.20	0.20
Revenue	5.4bn.	5.3bn.
Net profits	2.9m.	22.1m.
Net per share	0.12	0.89
	Loss	Profit

## BRAZIL AND THE ITAIPU DAM

## Power balance row

BY DAVID WHITE IN RIO DE JANEIRO

THE LONG-STANDING quarrel between Brazil and Argentina over their respective plans to harness the power potential over the Parana River is now reaching a crucial stage. The Brazilians insist that some kind of agreement must be reached at the next meeting, scheduled for February, between themselves, the Argentines, and the Paraguayans, who are involved in both countries' dam projects, to stop the dispute gaining more damaging proportions.

The Brazilians are becoming distinctly tetchy over the future of the dam planned at Itaipu, which is to be the most powerful hydroelectric dam in the world, and provide the main power source for the industrial South of the country. Already they have awarded \$1.6bn. in building contracts for the dam and in March or April, some \$650m. worth of turbines and generators are due to be ordered.

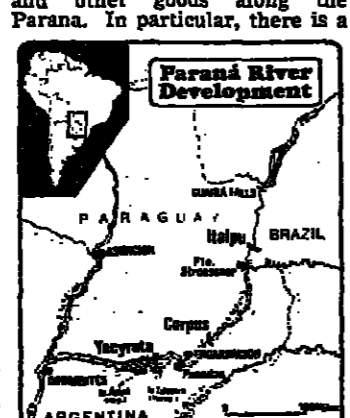
The first turbine is due to be working in 1983, and 1984 in 1988, producing 12,600MW in total, and the Brazilians are concerned to avoid any further delay in the project.

In addition to the Brazilians' dispute with Argentina, which they accused last July of mounting a concerted press campaign against them, they are now exasperated to find that Paraguay is pressing its own claims. Paraguay is unlikely to need much of the electricity produced, and has an annual gross national product of about a fifth of the estimated cost of Itaipu (\$7.8bn.).

The bone of contention between Brazil and Argentina is their mutual fears of the consequences of their respective dam projects at Itaipu and Corpus. The Argentines fear that Itaipu will jeopardise their use of the river; the Brazilians that if the Corpus dam is as high as the Argentines want it to be, this will gravely reduce the power potential of Itaipu.

Two years ago, Brazil and Paraguay agreed on the specifications of the Itaipu dam, which, including earth dykes, will run about 600 metres from end to end. Built where the river is 100 metres above sea level, it was to derive its power from a fall of 120 metres.

Should the Corpus dam downstream reach a height of 100 metres or more above sea level, then the power output of Itaipu will naturally be lessened. The Argentines initially wanted Corpus to be 130 metres above sea level. Differences in height make a large difference to the dam's power output. At 130 metres above sea level, it would have a power output of 8,000 MW; at 115 metres, 4,500 MW; at 100 metres, 3,000 MW. The Brazilians say their



Parana River Development

risk of Itaipu creating very low water in the period from January to March. The Brazilians mean while claim, that because of Itaipu, Argentina will have made a bad deal of the river at its disposal at no cost.

Other arguments have been dragged into the debate, often on thin factual grounds. These include the spectre of a tidal wave from Itaipu, and the prospect of the Corpus reservoir flooding large areas of Brazilian farmland, which it will not.

It would be conceivable for the two sides to develop their separate plans without on the one hand, affecting the river ports, or on the other, flooding any Brazilian territory—but at the cost of many megawatts on both sides. This in turn would make electricity from both dams more expensive. Brazil and Argentina are in fact closer than ever before to admitting that plans that would enable them to draw a total of 20,000 MW of energy from the stretch of river bordering Paraguay are compatible.

Both sides however also need, in order to settle the issue on the best terms possible, to secure the support of Paraguay, which stands to gain on one dam what it loses on the other. For Paraguay, Itaipu represents perhaps the biggest single chance of wealth in its history, as half of the dam's electricity it is to set will make the country the leading exporter of electric

power, and probably the only country to have electric current as its main source of revenue. Its stake in the venture, as in the Corpus dam and Paraguay's other joint project with Argentina at Yacretá, is in the use of its side of the river.

For the Paraguayans, the Yacretá venture is in fact of more immediate importance than Corpus, which may be another reason for believing an agreement to be in sight. Paraguay has a fifty per cent share in the former project, though this was only agreed to after Brazil set a precedent with the Itaipu project.

But Gen. Stroessner, the President of Paraguay, is clearly anxious to leverage the most he can out of Itaipu while the argument is still hot. In November, Brazil ceased its support of Paraguay's claim to its share of the power generated at Paraguayan frequency, even though it will be sold to Brazil. This means that Brazil, which uses the American 60 Hz system, will have to install costly imported converters, while Paraguay could theoretically sell its half of the power to Argentina, which uses the same European-standard 50 Hz system.

At their last meeting, Paraguay presented a demand for priority for navigation from the Seven Falls, an area upriver from Itaipu, due to be flooded by it and in the past the subject of a serious border dispute. The request was apparently retracted in the face of the violent Brazilian reaction, which is probably an indicator that in future Brazil will take a tough line on Itaipu.

Brazilian exasperation with Paraguay has been taking an increasingly vociferous form. "Definitely, an editor, recently in a leading daily paper, has determined that Brazil should commit itself to building another Brasília, only in the form of a hydro-electric dam. The fate of this dam should depend on an alliance with Paraguay. Brazil is condemned by fortune to live with this alliance."

Surprisingly, perhaps, Brazilian authorities are optimistic that the February meeting will produce enough of an agreement to go ahead. One view is that the two sides will then settle on something in the region of a height of 105 metres for Corpus, and that Brazilians will swear they are not secretly planning to bring back their former long-term scheme of expanding Itaipu from 18 turbines to 30, which would seriously affect the river as a transport route.

## Car output fell by 89.2% in December

By Our Own Correspondent

NEW YORK, Jan. 4

U.S. CAR production fell by 89.2 per cent in December, reflecting among other factors, moves by manufacturers to restrain output in the face of evidence of some slow-down in sales.

Deliveries of new cars slowed in mid-November, and in December, companies responded by reducing production targets. Chrysler and American Motors, respectively the third and fourth largest U.S. producers, temporarily closed some assembly facilities.

Another factor in the decline to 648,065 from 718,717 units was bad weather, including snow, which hampered some assembly operations.

Industry analysts are carefully watching sales figures for December and early January to try to determine how serious the evidence of slowing car sales is for the industry, and for the U.S. economy already, some analysts are forecasting sharp cuts in car production next month, unless there is a jump in car sales.

## Tough line on oil prices urged by GAO

By Our Own Correspondent

NEW YORK, Jan. 4

THE U.S. GOVERNMENT should be more aggressive in using its economic power to encourage reductions in international oil prices, according to a study by the General Accounting Office, the investigation branch of Congress.

The study, which adopts a tough stance at odds with current U.S. policy, makes no specific recommendations on how the U.S. should put pressure on oil exporting countries.

But it implies that the U.S. should use economic pressure, such as oil export requirements for Western technology to encourage them to lower oil prices.

The report is already provoking opposition in Government agencies which favour a co-operative, rather than an energy question.

## Reserves rise in Canada

OTTAWA, Jan. 4

OFFICIAL CANADIAN international reserves at December 31 were \$4.60bn, up \$417m, from a month earlier, the Finance Department said. A year ago the total was \$3.94bn. Reserves are stated in U.S. dollars.

The change last month included an increase of \$59.7m. in SDR-denominated assets, reflecting appreciation of the U.S. dollar value of the unit of SDR, and an increase of \$1.9m. representing the book value of gold transferred from the mint.

The Finance Department said that figures reflect a purchase of \$7.7m. in gold as part of Canadian involvement in the International Monetary Fund's gold reconstitution programme.

AP-DJ adds: The Finance Department has announced the terms of a previously disclosed \$1.5bn. stand-by credit facility with Canadian banks. It said that no drawing had yet been made on the facility.

The Finance Department said that the facility, which will be available for seven years, entitles the Government to borrow U.S. dollars for terms of one, two, three, or six months at its option.

The Government will pay a standby fee of 1 per cent per annum on the amount drawn down of the facility. During the first three years of the agreement, the interest charge on any drawings would be 1 per cent above the prevailing London inter-bank offering rate for U.S. dollar deposits.

General Motors of Canada has raised prices on its cars and trucks by an average overall increase of 2.8 per cent, including Canada's taxes and optional equipment, a company spokesman said at Goshawa, Ontario. The higher prices were due to increased costs for imported parts and vehicles, he said.

## Guatemalan kidnapper claim

GUATEMALA CITY, Jan. 4

A GUATEMALAN "left-wing" group, calling itself the Guerrilla Army of the Poor (EGP), to-day claimed responsibility for kidnapping here on December 31 the former Guatemalan Foreign Minister, Sr. Roberto Herrera Ibarra.

The EGP demanded that a communiqué which they sent to journalists to-day should be published, with a message to "Definitely, an editor, recently in a leading daily paper, has determined that Brazil should commit itself to building another Brasília, only in the form of a hydro-electric dam. The fate of this dam should depend on an alliance with Paraguay. Brazil is condemned by fortune to live with this alliance."

Last April, the EGP kidnapped the Salvadoran ambassador here, and only released him after a communiqué was read to a public meeting, accusing the governments of Guatemala and El Salvador, of being repressive.

The latest kidnapping comes only two months before presidential and general elections are due in Guatemala. Some say the act is the government of Gen. Efraim Ríos Montt might consider imposing a state of emergency. Reuter.

## OVERSEAS NEWS

## BOUMEDIENNE VISIT TO IRAQ

## Bid to end Syrian feud

BY HSIAN HJAZI

BEIRUT, Jan. 4

THE VISIT to Baghdad at the same time as Mr. Boumedienne, they were Dr. Ali Turekhi, Libyan Secretary for Foreign Affairs, who two days before visited Damascus in a bid to mediate between Iraq and Syria, and Dr. George Habash, the leader of the Palestinian militant "rejection front".

Mr. Boumedienne arrived in the Iraqi capital last night as part of an Arab tour which will take him to Damascus, the Gulf, and possibly Saudi Arabia.

His immediate purpose is to ensure Iraq's participation with Syria in the "rejection front" which had emerged out of the anti-Sadat conference in the Libyan capital, Tripoli, last month, according to informed sources here.

The Algerian leader's aim is to seek to expand the "Arab circle" against President Anwar Sadat of Egypt's peace initiative with Israel.

To-day Mr. Boumedienne and President Ahmed Hassan al-Bakr began talks in preparation for a possible Baghdad summit conference of Arab States opposed to current Middle East peace moves by Egypt.

The Iraq News Agency said that they conferred soon after Mr. Boumedienne arrived last night. The foreign ministers of the two countries attended the meeting.

The agency said that they discussed measures to confront "obstacles facing the Arab nation as a result of the serious conspiracies which have affected the course of the Arab struggle".

Iraq has invited the five members of the "hard-line" rejection front, Algeria, South Yemen, the PLO, Libya and Syria, to hold summit talks here this month aimed at concerning opposition to Mr. Sadat's initiative.

Two other Arab leaders arrived in Baghdad at the same time as Mr. Boumedienne. They were Dr. Ali Turekhi, Libyan Secretary for Foreign Affairs, who two days before visited Damascus in a bid to mediate between Iraq and Syria, and Dr. George Habash, the leader of the Palestinian militant "rejection front".

Dr. Habash had met secretly a few days ago with Syrian officials at the Lebanese town of Sidra near the Syrian border, according to reports published here.

Efforts to end the feud between Iraq and Syria have been intensified in preparation for the holding of a second conference by the Heads of Arab States opposed to Mr. Sadat. Iraq has offered to host the conference, but Syria has preferred that the meeting be held in Algeria.

However, Mr. Boumedienne has called off, for the time being, the restricted summit in Algeria.

RENEWED FIGHTING between rival factions in south Lebanon has reached its highest intensity in three months, Palestinian and Leftist sources said Wednesday.

The clashes between Palestinian-Leftist forces and Israeli-supported Christian Rightists in the south-east Lebanon region on the side of the Christian enclave of Marjayoun said Israeli gunboats pounded Palestinian positions at night, flares were used to light up the rainy night sky.

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BEIRUT, Jan. 4

which he invited Syria, Iraq, South Yemen and the Palestine Liberation Organisation.

Even so hopes of an Iraqi-Syrian reconciliation are being undermined by a Beirut weekly magazine, said to-day that President Hafiz Assad of Syria may ask Mr. Salah Bitar to form a new Syrian Cabinet that will not set the stage for a reconciliation with Iraq.

Mr. Bitar, who returned to Syria last week after living in exile abroad, is a co-founder of the Baath Party whose estrangement from the Syrian Government in 1966 remains close to Mr. Michel Bitar, who is also a Syrian, is the Secretary-General of the Baghdad-based "National Command" of the Arab Baath Socialist Party which has a rival equivalent in Damascus.

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January 5, 1978

# WORLD TRADE NEWS

## Strauss will expect concessions next week

WASHINGTON, Jan. 4. WHEN the U.S. international trade negotiator, Mr. Robert Strauss, goes to Tokyo next week, the U.S. Government expects Japan will be ready to commit itself to substantial additional steps to help diminish economic tensions between the two countries.

After the Strauss mission was announced last night, the initial reaction from Tokyo appeared mixed. The Prime Minister, Mr. Takeo Fukuda, according to one report, expressed confidence that the U.S.-Japanese trade problems could be settled in the talks next week, but there were indications from Tokyo that the Strauss visit was unlikely to produce any major new steps to reduce the Japanese trade and current account surpluses.

In Washington, an Administration source hinted that Japan, in addition to relaxing further its quotas on several items, will be ready by late next week to acknowledge that previously announced tariff concessions will be extended and that other actions are to be taken to ease Japanese economic problems vis-a-vis the U.S.

This expectation, it was learned, is based on negotiations which have been under way between U.S. and Japanese government officials since the visit to Washington in December of the Minister for External Economic Affairs, Mr. Nobuhiko Ushiba.

Despite some efforts by the U.S. State Department to moderate the U.S. reaction to Japanese offers during the Ushiba visit, Mr. Strauss and others have said bluntly that what Japan proposed initially would not be satisfactory to the U.S. Government.

U.S. officials said that they could not say for sure that the Fukuda government will take additional steps to resolve the trade conflict with the U.S. AP-DJ

## U.S. STEEL CURBS

## Japanese sales hard hit

BY CHARLES SMITH

TOKYO, Jan. 4.

JAPAN'S STEEL exports to the U.S. could drop to 5m. tons in 1978 from their peak level of 7.4m. tons in 1976 as a result of the introduction of the trigger-price system announced by the U.S. Treasury, it was estimated today.

An industry official said the trigger prices, based on Japanese steel production costs and applying to 13 categories of products, were higher than had been expected. Japanese steel makers also fear that the U.S. steel industry might demand an increase in trigger-price levels at some time after its forthcoming round of price increases scheduled for February or March.

The U.S. trigger-prices exact levels remain secret. David Buchan adds from Brussels: The EEC Commission and the European steel industry were today reserving comment on the new trigger prices.

Commission officials said they would have ready a proper comparison of the U.S. system with minimum prices the EEC has imposed for the first three months of 1978 in time for talks with U.S. officials on Friday when President Carter visits Brussels.

Both the Commission and the industry are concerned that the trigger prices should not be higher than the EEC minimum prices to avoid imports being diverted to Europe.

Nippon Kokan's Island, Page 18

## Trigger prices welcomed

BY STEWART FLEMING

NEW YORK, Jan. 4.

STEEL INDUSTRY executives in the U.S. are giving the Carter Administration's proposed trigger prices to restrain unfair import competition a guarded, but on balance favorable welcome.

The prices were announced yesterday and set levels below which imports for specified steel products cannot enter the U.S. without sparking of anti-dumping investigations aimed at stopping their sale.

This morning, Mr. C. William Verity, chairman of ARMO Steel, the nation's fourth largest producer, said that the company felt that on the evidence of the trigger price announcement the Carter Administration was sincere in its stated objective of bringing the import share of

the U.S. steel market down to 12-14 per cent.

Current estimates suggest that imports captured around 18 per cent of the U.S. market last year.

But Mr. Verity emphasized that the U.S. industry does not have the evidence yet to come to a firm conclusion. He pointed out, for example, that ARMO makes six different types of cold rolled, non-oriented steel. The Treasury's trigger price announcement yesterday only gave a price for one type of this product without specifying which.

He pointed out that the Treasury announcement gives no indication of the "extras" which will be allowed.

Five key steel trigger prices yesterday in Washington

Trigger price plus estimated duties	Current U.S. list-price
Cold rolled sheet	\$329 \$333
Hot rolled sheet	\$262 \$288
Plate	\$301 \$324
Thin plate	\$500 \$481
Hot rolled bars	\$373 \$359

All prices per ton, Eastern U.S.

Japanese prices include cost of production (raw materials, labour, interest expense, profit margins and depreciation) plus shipping and estimated customs duties. In some cases prices are higher than U.S. prices, which are due to rise by upwards of 5 per cent. next month.

## EEC steel production declines by 6%

BRUSSELS, Jan. 4.

CRUDE STEEL production in the European Community was 126.4m. tonnes in 1977, off 5.8 per cent from the 134.2m. tonnes in 1976, according to an initial estimate from the EEC Statistics Office, published today.

The decline last year contrasted with a 7.1 per cent rise in crude steel output in 1976

over 1975, and reflected the seriousness of the steel industry's situation in the Community, Commission experts said.

The Community has decreed minimum and guide prices for almost all steel products and also introduced base prices for imported steel that are to be effective until the

end of March to allow the Commission to negotiate price and volume restraint agreements with most supplier countries, including Japan.

In Britain, production was off 7.5 per cent to 20.6m. tonnes from 22.4m. tonnes in 1976. In France, production fell 4.2 per cent to 23.3m. tonnes AP-DJ

## U.S. raises paper and board output

By Max Wilkinson

THE U.S. production of paper and paperboard is expected to be 61.8m. tonnes for 1977, an increase of 2 per cent on the total for 1976.

In an end-of-year statement, the American Paper Institute said the total was still below the high of 62m. tonnes in 1972, when a sizeable proportion of production was diverted into inventories.

The largest increase last year was in the supply of coated printing papers, up 9 per cent. Imports of coated papers increased from 15,000 tonnes in 1976 to 100,000 tonnes, while exports were unchanged. Uncoated free sheet papers were up 4.5 per cent and shipments of bond papers were up 8 per cent.

The institute says the production of tissue paper also showed a significant increase, rising 3 per cent over its 1976 total.

The weakest paper sectors were packaging grades where production of both bleached and unbleached kraft papers fell below their 1976 totals.

The total production of paperboard for 1977, estimated at 28.5m. tonnes, was only 1.6 per cent more than the 1976 total. Strongest gains were in the production of paperboard for domestic use, which increased 3 per cent over the previous year.

Total sales of paper and allied products rose by an estimated 7 per cent to about \$45bn. This figure, however, included the non-paper activities of the companies involved, including lumber and wood products.

Total wood pulp production is expected to be about 50m. tonnes, an increase of 2.5 per cent over 1976.

## Iran places contract for \$265m. desalination plant

BY ANDREW WHITLEY

TEHRAN, Jan. 4.

IRAN today set new records in its nuclear power programme, when it contracted for what will be the world's largest water desalination plant.

Dr. Akbar Etemad, the head of Iran's Atomic Energy Organisation, said a consortium of Japanese companies, led by Sasaki Engineering, would build a two-unit plant at Bushehr on the Gulf coast, with a total production capacity of 200,000 cubic metres of fresh water per day.

The \$265m. project is being sited next to the two West German nuclear reactors under construction by Kraftwerk Union.

A letter of intent was signed last month with the consortium, which includes Mitsubishi Heavy Industries and Sumitomo Shoji Kaisha, after a year's negotia-

tions. Payment will be by way of an oil swap very similar to the two deals worked out already with American defence contractors.

Simultaneous with today's desalination contract, a group of unidentified Japanese oil refiners signed an agreement with the National Iranian Oil Company to lift a volume of oil to the value of the project over a four-year period.

The refiners will make payments into a special account which the IAO will draw on to pay the construction consortium. Construction is to begin immediately, with the first unit due on stream in 36 months' time and the second six months later.

The Iranian State-owned Industrial Development and Renova-

tion Organisation is to supply some of the plant from its manufacturing centre at Arak.

Rivals for the desalination plant were Demag, of West Germany, and Sidem, of France. But at today's signing ceremony, Dr. Etemad said that Japan's technological experience in the field had put them in the strongest position. Sasaki Engineering built what was until now the world's largest desalination plant in Hong Kong.

It had been a precondition in the final round of tendering that the successful company and refiners willing to purchase oil from NIOC over and above any previous commercial undertakings they may have had. Dr. Etemad said this would be a basic principle for all future large scale deals of this kind.

## Shipping levy cut likely

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

A FURTHER cut in the emergency surcharge levied by shipping lines on the North Atlantic to cover costs incurred by last year's strike by U.S. East Coast longshoremen looks possible.

The surcharge, originally set at 10 per cent, but then reduced to 6 per cent after protests from European shippers, is to be reviewed again, the North Atlantic Freight Association confirmed last night.

There is pressure from some of the member lines within the association, as well as its east-bound and mainland Europe counterparts, for a complete cancellation of the surcharge.

At the same time, the British Federal Maritime Commission,

the Shipper's Council has made it clear that it will continue to advise its members to use shipping lines outside the association so long as the surcharge is in operation.

The starting date for the surcharge from U.K. ports is March 5, but from European ports, the original starting date was January 6. This has now been put back 14 days to allow the shipping lines to reconsider the position.

A notice issued to shippers informing them of this postponement refers to pressures from governmental agencies, taken to be an indication of representations made by the U.S. Federal Maritime Commission.

## Agreement on India textiles

By K. K. Sharma

NEW DELHI, Jan. 4.

INDIA and the European Community have sorted out most of their problems on import quotas for garments, and the Commerce Minister Mr. Mohan Dharis today expressed satisfaction at the agreement reached recently on EEC imports of shirts, skirts and blouses for this year.

Under the agreement, the Community will import 53m. (against 43.8m.) shirts and blouses of all kinds, and 1.4m. skirts (against 1.8m.). The average growth rate for import of Indian garments is around 6 per cent.

## Standard Chartered Bank Limited

DM 125,000,000  
6 1/2% Deutsche Mark-Bonds of 1978/1988

Offering price: 100%  
Interest: 6 1/2% p.a., payable annually on January 1 of each year  
Repayment: January 1, 1988  
Listing: Frankfurt am Main and Hamburg

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Abu-Dhabi Investment Company	Alshifi Bank of Kuwait (K.S.C.)	Algemeine Bank Nederland N.V.
Amex Bank Limited	Amsterdam-Rotterdam Bank N.V.	Arnhold & S. Bleichroeder, Inc.
Banca Commerciale Italiana	Banca del Gottardo	Bank of America International Limited
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## BRAZILIAN COMPUTERS

## Local projects beat the multinationals

BY SUE BRANDFORD IN SAO PAULO

THE PLENARY Council of Capre, the Government body in charge of the country's computer policy, has announced here that three Brazilian projects had been selected out of the 16 proposals submitted last September for the production of mini-computers to Brazil.

The decision is a serious setback for seven of the world's largest computer manufacturers - IBM, Hewlett-Packard, Olivetti, Four Phases, NCR, Burroughs and TRW - which had all presented proposals for straight subsidiaries without any Brazilian participation.

The issue has aroused great interest in Brazil, partly because the computer industry is expected to grow very rapidly over the next decade. According to Mr. Elio Costa Costa, President of Capre, the projected domestic demand from 1978 onwards is 700 to 1,000 mini-computers annually.

However, he added, this projection may well be an underestimate, as it probably been artificially repressed by the Government's present strict import controls.

By the 1980s, turnover in the computer industry as a whole is expected to be larger than in any other sector, apart from the motor industry.

It had been thought that the Government would select two proposals. The inclusion of an extra project was justified by the council as "the most adequate solution," given the need to create healthy and efficient competition.

One of the selected projects was submitted by Sharp Equipamentos Electronicos, in which the Japanese Sharp Corporation has a 25 per cent stake, in association with two other Brazilian companies, Dataserv and Inepar. Technology will be purchased from the French company, Telegat.

It was widely expected that the Sharp project would be selected, partly because the group also offers a full support programme. As well as two leasing companies, a brokerage house, a finance company and an insurance company and an agent.

advertising agency Sharp also recently bought up a bankrupt investment bank, Banco Independencia-Decead.

Another of the selected proposals comes from Edisa, a project submitted by private Brazilian companies from Rio Grande do Sul, Brazil's most southerly State, in association with BRDE, the regional bank of the extreme south, which is the local State-owned development bank. Technology will be purchased from the Japanese company Fujitsu.

One of the strong points in its favour is its geographical location as the Federal Government is increasingly committed to a decentralisation policy to ease the present excessive concentration of industrial activities in the Sao Paulo-Rio de Janeiro axis.

The most surprising decision was the selection of the project submitted by Labo Electronica, a company controlled by the Brazilian group, Força, Basilvest, which is a kind of international merchant bank, controlled by Brazilian capital in which some of the world's largest banks participate, including Midland Bank, Dresdner Bank and Swiss Bank Corporation, has a 25 per cent stake in the project. Its technology will come from the West German company, Nixdorf.

At present, Brazil has one mini-computer manufacturer, Computadores e Sistemas Brasileiros, Cobra S.A., which is largely run by Navy officers. The project is mainly financed by a group of Brazilian private and State banks, including Digibras, which is a subsidiary of the large, State-owned development bank, BNDE (National Economic Development Bank). The British group, Ferranti, has a 25.7 per cent share in Cobra's ordinary shares.

The overall decision is a defeat for the multinationals which have been carrying out a powerful lobby throughout the year to change the specifications according to their own interests. As well as two leasing companies, a brokerage house, a finance company and an insurance company and an agent.

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## Lloyds in Romania loan

LLOYDS BANK has granted a £5m. loan to the Romanian Bank for Foreign Trade to help finance the purchase of contracts placed by Romanian buyers with British companies.

Backed by the Export Credits Guarantee Department, the loan will help finance capital goods and associated services. Contracts financed under credit facilities by Lloyds to Romania already include pumps, compressors, machine tools, textile machinery, shipyard equipment and cranes.

Meanwhile, Morgan Grenfell & Co. has signed a £5m. line of credit with the National Bank of Hungary also to finance U.K. exports of capital goods and services.

The BOGD has also backed this loan, which is the sixth "shopping mission" line arranged by Morgan Grenfell for the National Bank of Hungary since 1970. The previous lines totalled £20m. in value.

Whessoe Heavy Engineering (part of the Whessoe Group) has won the contract to build a series of fixed offshore steel tanks at what is a two-and-a-half storage and distribution normal within a week or two.

## ITT in Argentina

International Telephone and Telegraph's Argentine subsidiary, Compagnie Standard Electric, has signed a \$85m. telephone supply contract with the Argentine telecommunications agency, Reuter.

ITT had an hour-long interview with the Shah and talks with the Iranian Foreign Minister. It is hoped that trade will be back to normal within a week or two.

## Whessoe £2m. contract

Whessoe Heavy Engineering (part of the Whessoe Group) has won the contract to build a series of fixed offshore steel tanks at what is a two-and-a-half storage and distribution normal within a week or two.

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## HOME NEWS

## Housing price boom 'unlikely'

By Michael Cassell, Building Correspondent

THERE IS NO likelihood of a house price boom this year, according to one of Britain's largest building societies.

Mr. Leonard Williams, chief general manager of Nationwide, said yesterday that while prices would almost certainly be higher than last year, he did not expect a price spiral of 1972 proportions. That year, average prices rose by about 47 per cent.

According to Nationwide, average prices for new homes rose by 8 per cent over the last quarter of last year, bringing the increase over the whole year to about 11 per cent.

The price of secondhand homes in the last three months of last year went up by only 1 per cent, giving an annual rise of 7 per cent.

The average price rise for all homes during last year was calculated by Nationwide to be 8 per cent, about the same as the increase in average earnings but well below the rise recorded for retail prices.

Mr. Williams suggested that average prices this year could again rise in line with incomes, possibly by around 12 per cent.

Although there was a very active housing market, which had been supported last year by record building society lending of £8.75bn, involving 750,000 loans, house prices continued to rise slowly.

**Cautious**

The isolated cases of gazumping which had been reported reflected local pressures on individual properties rather than any overall trend.

It was likely that real incomes would rise by between 4 per cent and 5 per cent this year, the largest increase since 1973.

It was, however, unlikely that this factor would stimulate demand for trading up and so lead to the bidding up of house prices on anything like the 1972 scale because rapidly rising costs, including household running costs and economic uncertainty had made borrowers much more cautious about their total commitment on housing.

Recent experience had shown house prices could not for long stay out of line with incomes and a short-lived boom was not in the interests of either buyers or sellers.

The housing market had digested the effects of the last boom and house prices had returned to their normal, long-term relationship with incomes. During the past year, house prices had increased in line with incomes and the same trend could be expected this year.

## Long-term incomes policy 'necessity'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ONE OF the clearest statements on the issue at present, nor a date by a Cabinet Minister of the need for a voluntary long-term incomes policy was made last night by Mr. William Rodgers, Transport Secretary.

Mr. Rodgers, speaking in Leicester to a group of industrialists, said: "The time has now come to stop thinking of incomes policy as a temporary expedient and to begin to accept it as a necessary—and obvious—component of economic management and social planning."

The mood of the country was ripe "for a constructive discussion of how a settled incomes policy can evolve alongside, and in conjunction with, a substantial measure of collective bargaining."

It would be a voluntary policy, reached by agreement between all those involved. TUC backing would be essential.

Mr. Rodgers has taken a stage further the debate on the future of pay policy which was started by Mr. Healey six weeks ago. There is no agreed Cabinet line

on the issue at present, nor a concerted campaign of speeches. But some senior Ministers clearly want to create the right climate for the acceptance of a continued pay policy after this summer.

Mr. Rodgers, who was involved as a junior Minister in the creation of the mid-1960s incomes policy, had no specific proposals for the next round of pay policy but set out a series of long-term objectives.

**Prosperity**

He argued that incomes policy must be linked in people's minds with the whole question of our future strength and prosperity. Any incomes policy must be related to achievable objectives and based on a sense of proportion about expectations.

It must not be regarded as a substitute for the effective use of all the conventional tools of economic management and could not redeem the consequences of wrong-headed monetary policy or public expenditure which has got

out of control. If incomes policy was to be permanent, short-term decisions must not be allowed to prejudice or preempt the future. There must also be caution about the extent to which incomes policy can be redistributive.

"I doubt whether it can succeed if attempting to change differentials is a main objective. Our taxation system and our social benefits are more relevant to that."

Incomes policy must also allow room for genuine improvements in productivity and "more money in your pocket if you work harder or better," while respecting the position of those who have little or no scope for improved performance.

A long-term voluntary policy must leave room for negotiation. The function of the trade unions cannot be usurped by detailed and inflexible rules imposed from on high. There must be scope for the negotiators.

## Call for industry law curbs

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

CALLS FOR the Government to stop introducing new legislation affecting industry so that managers can have time to "concentrate on managing" will be issued early in March at the second national convention of the British Institute of Management.

The convention will last for one day on March 7 at the Wembley conference centre, north London. The Institute's first convention was held in March 1974 at London's Festival Hall, and was the first such event to be held in the U.K. for industrialists and managers.

Since then, the CBI has established its own national conference, held for the first time last November. This is now to become an annual event and the second conference is planned for Brighton this November.

The BIM intends to build itself up as a national representative organisation for managers alongside the CBI. This will emerge during the debates in March which will be based on resolutions and amendments submitted by BIM branches.

The objections about Government legislation will be made during a debate on "Government and managers" which will be

based on a resolution complaining that there has been an "intolerable" amount of new legislation and Government intervention in industry in recent years.

The resolution adds that it would prefer new measures to be introduced through codes of practice rather than precise laws.

Three other debates during the convention will call on the Government to co-operate with the Institute to develop national economic objectives, and will also cover education and training and the Institute's job of representing managers.

## Ships misusing radio channels

BY OUR SHIPPING CORRESPONDENT

AN APPEAL to seafarers not to use radio frequencies reserved for emergencies has been issued by the Department of Trade.

The Department says there has been an increasing number of complaints about abuse of VHF radio channels and that such abuses have hampered rescue operations and interfered with normal ship-to-shore communications in congested port areas.

Most concern surrounds misuse of radio frequency 156.8 MHz or channel 16, which is supposed to be reserved for brief emergency purposes only and not for routine communications. There are many reports that this and other port operations channels have been used for routine ship-to-ship communications and even for singing sea shanties and telling jokes.

Yachtsmen, whose increase in numbers has pushed up steadily the rate of applications for marine radio licences, are said to be responsible for many

of the abuses, although commercial fleets also have breached the rules.

The Department's notice warns British seafarers that they could lose their radio licences if found to be abusing radio frequencies, but any action against non-British nationals can be pursued only through the UN maritime agency, IMCO.

The agency is studying the international problem of radio wave congestion.

## Police to apply new rule leniently

BY IAN HARGREAVES

POLICE ARE to be advised by the Department of Transport not to enforce strictly certain parts of the new regulations reducing the maximum permitted driving day for lorry drivers.

This is understood to be the key provision in an Order which Mr. William Rodgers, the Transport Secretary, will lay before Parliament today.

The Order will give effect to the first phase of the regulation, which Britain promised the EEC to activate at the beginning of this year.

The most controversial aspect of this first phase is the immediate imposition of a 450 kilometre driving limit for a single lorry driver unless that driver is fitted with the tachograph measuring device, which the road transport unions have rejected on the grounds that it constitutes an infringement of liberty.

The precise wording of the order will attempt to re-assure the European commission that Britain is in earnest about adopting the new regulations, but will seek to avoid a confrontation with the unions on the tachograph question.

The Government has already been criticised by the DHSS and reflected in the House of Commons for what they regard as unfounded criticisms about the impact of social security benefits on the unemployed.

Mr. Bernard Aher, acting NEDC director-general, said the study would counteract

## Unemployment study will take two years

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT has launched a two-year study of 4,000 unemployed people to discover whether the level of unemployment and other social security benefits removes the incentive to find new jobs or to remain at work.

This was disclosed at the monthly meeting of the National Economic Development Council yesterday when the Council's two Ministers responsible for the Department of Health and Social Security explained their policies in the context of the Government's industrial strategy.

The Council also approved plans drawn up by the Government and the National Economic Development Office for reviewing the strategy's first two years of work at its meeting next month. It will also discuss ways of communicating its proposals to individual companies and shop-floor workers.

The Government's study of the unemployed has already been started by the DHSS and reflected in the House of Commons for what they regard as unfounded criticisms about the impact of social security benefits on the unemployed.

Mr. Bernard Aher, acting NEDC director-general, said the study would counteract

that could be called "saloon bar views" on the subject. Some criticism was aired at the past NEDC meeting early in December, and yesterday the two Ministers responsible, Mr. David Thomas and Mr. Stan Orme, told the council that the social security system was "perpetrating a crime" by giving the workforce confidence that the various risks of unemployment of earnings during working life.

In addition, the Ministers said in a paper to the council that "adequate provision for those who lose their jobs as a result of industrial change is of particular importance." As a result, high unemployment could be "entrenched without the 'intolerable hardships' of earlier recessions."

The Ministers acknowledged that it was important not to reduce incentives for work, but added that it was also important in economic as well as social terms "to provide adequate support for those out of work."

The NEDC also agreed to reconstitute the Roll Committee of the British Institute of Management, which was set up two years ago by the NEDC

## Post Office democratic pioneers



THE POST OFFICE will pioneer industrial democracy in the public sector with its new Board, announced yesterday, composed of seven worker directors, seven management directors and five independent members.

Pictured above are the seven worker directors: (left to right) Mr. Ivan Rowley, organising secretary of the Union of Post Office Workers; Mr. Robert Thomas, president of the Society of Post Office Executives; Mr. Fred Moss, UPW general treasurer; Miss Nina Williams, Post Office group executive committee member of the Civil and Public Services Association; Mr. Ron Barrett, chairman of the Post Office Management Staffs Association; Mr. Arthur Slimer, executive committee member of the Post Office Engineering Union; and Mr. Peter Shaw, POEU research officer.

On the management side, the Board members are Sir William Barlow, chairman; Mr. Peter Benton, managing director, telecommunications; Mr. Denis Roberts, managing director, posts; Mr. Sam Walwright, managing director, giro; Mr. Ken Young, Board member for industrial relations; Mr. Frederick Waterhouse, member for finance; and Sir George McFarlane, member for technology.

The independent members are: Mr. Derek Gladwin, regional secretary of the General and Municipal Workers Union; Mrs. Janice Walsh, manager of the Islington Consumers Advice Centre; Mr. Peter Walters, a managing director of British Petroleum; and Lord Winstanley, a Liberal peer and broadcaster. A fifth independent is to be appointed.

The delegation which is led by Sheffield City Council, includes representatives from South Yorkshire County Council, unions, the local Chamber of Commerce and the Trades Council, and the main industrial associations. These include the European Cutlery Federation, the Cutlery and Silverware Association and the Cutlery and Allied Trades Research Association.

The delegation will ask the Ministers to consider controls on imports and to take the lead in arresting the decline of the industry.

It will also ask the Government to help prepare a rescue plan in the light of the results of a survey of the industry.

## Midland sets up branch for corporate business

AFTER dramatic expansion of the corporate funds under its control, Midland Bank Trust Company has established a new branch to handle corporate business.

Funds under the control of the new branch in its capacity as trustee to unit trust holders, beneficiaries of insurance and pension schemes, debenture holders and so on, will top £2.5bn. Five years ago, Midland's trustee services controlled only around £500m. in corporate funds.

The speed of expansion has been largely due to implementation of the provisions of the Insurance Companies (Amendment) Act 1973, and insurance company trusteeships now provide the largest single class of business.

But pension fund and other employee benefit work is expected to form the fastest growing class of business from now on, though the branch hopes to maintain Midland's position as trustee to a large number of unit trusts than any other in the field.

The new branch will be the largest in the Midland Bank Group, employing about 120 people in the City. Its formation marks a formal division within Midland Bank Trust Company, between the fast growing corporate business, and the traditional, expensive and time-consuming executorship and personal trust and tax work, which has far more to be moved out of London to cheaper locations within provincial branches.

## Ailing cutlery industry to seek State support

BY OUR INDUSTRIAL STAFF

GOVERNMENT support for the U.K.'s ailing cutlery industry will be sought on Monday by a strong delegation which is to meet Mr. Michael Meacher, Trade Under-Secretary, and Mr. Robert Croyer, Industrial Under-Secretary.

The delegation which is led by Sheffield City Council, includes representatives from South Yorkshire County Council, unions, the local Chamber of Commerce and the Trades Council, and the main industrial associations. These include the European Cutlery Federation, the Cutlery and Silverware Association and the Cutlery and Allied Trades Research Association.

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It will also ask the Government to help prepare a rescue plan in the light of the results of a survey of the industry.

## First sign of break in teachers' view on curricula

By Michael Dixon, Education Correspondent

SIGNS came in London yesterday of a break in the National Union of Teachers' solid opposition to allowing industry and other laymen a voice in deciding what is taught in schools.

The opposition of the 236,000 strong union has been the biggest obstacle to the Government's "great debate" hopes of bringing education more into line with economic needs in industry and the economy.

But Mr. Max Morris, a past president and executive member of the NUT, unexpectedly said at a conference organised by the union that it was high time representatives of industry and the community were brought together nationally and locally with teachers to discuss school curricula and college training.

"This need in no way diminish the proper professional responsibilities of teachers for the curriculum," he said.

The next five years would be crucial "in this vastly important field," Mr. Morris said. Current curricula and educational organisation were inadequate in face of changes in industry and the economy, especially prospective high unemployment among youngsters caused partly by a severe decline in unskilled jobs.

In spite of the "hullabaloo" of the Government's great debate, there was still an absence of any consistent thinking—let alone policy—on the fundamentally important educational problems among Ministers and their Civil Service advisers.

## Foreign reactor plan wins backing

By David Fehlock, Science Editor

SUPPORT for the idea that Britain should license a foreign nuclear reactor design as insurance against the British-designed advanced gas-cooled reactor (AGCR) running into further difficulties came yesterday from the Electricity Council.

The Council said in a statement denying there were differences of view on the matter between the Electricity Council and the Central Electricity Generating Board, that accepted the need for a "fall-back" and recognised that "at the present time this must be the PWR (pressurised water reactor)."

Development of the PWR should be taken to a point where the electricity supply industry could make use of the reactor when needed, plans to build a new plant on Tyneside which will increase total production capacity at the site by about 50 per cent.

The plant, thought to cost about £5m, is expected to be built in four years to complete. The Fellington-Tyne plant produces mainly marine paint. Some 70 per cent of output is exported.

By David Freud, Industrial Staff

INTERNATIONAL PAINT, a subsidiary of Courtauld's, yesterday announced plans to build a new plant on Tyneside which will increase total production capacity at the site by about 50 per cent.

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## New paint plant for Tyneside

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# BOOKS

## Rich lady

BY C. P. SNOW

**Lady Unknown: The Life of Angela Burdett-Coutts by Edna Healey, Sidgwick and Jackson, £7.50, 253 pages.**

As I keep saying, biographies are attracting much of our literary energy, and it is getting more and more difficult to find a good subject. So many good subjects have now been treated masterfully enough to last for a generation. This is particularly true of the nineteenth century. Dickens, Lord Melbourne, Queen Victoria, Oscar Wilde, a dozen others, and Kipling, for each of them there is no room for another full-scale biography for the next thirty years. Biographers will have to be content with the second order of notoriety, and there the gaps are being effectively filled. It took very good judgment, and a sense for the unusual, for Edna Healey to pick an Angela Burdett-Coutts. Mrs. Healey has shown the same qualities, plus robust liking for the variety of human character, in writing her life. It is a cheering start to the New Year.

At the age of twenty-three Angela Burdett-Coutts suddenly, to her own astonishment and everyone else's, became the richest woman in England. To us, dazzled by inflation, the actual figures don't seem so overwhelmingly impressive. At his height, her income seems to have been about £100,000 a year. But remember that she had to pay negligible income tax, the value of money was many times higher, and this was at least equivalent to a present day disposable income of half a million. It is hard to estimate how her fortune compared with the American ones of her own period, but we are safe in thinking that she could and did spend more on charity, in advanced terms, than any modern Texas multi-millionaire.

She came into the money in a peculiar and weirdly indirect fashion. Her grandfather, Thomas Coutts, was the fourth son of an Edinburgh banker-cum-merchant, comfortably successful but not preposterously wealthy. Thomas was a man of

great capacity and complicated personality. He moved to London as a young man, and after a series of well managed transactions and manoeuvres became the chief proprietor of Coutts Bank. He wasn't a gambler, but he understood people as well as he did money, and he had a remarkable gift for inspiring trust. He had absolute discretion, and the dynasties of Europe came to rely on him, including the British royal house. Edna Healey permits herself to tell us a good deal about him, as well as his granddaughter, and we could have wished for more.

Although in Thomas's public activities he was the incarnation of what is now called The Establishment, his personal life had a bracing touch of the 18th century (he was born in 1735). He married a domestic servant from the house of one of the brothers, working-class girl, the daughter of a shoemaker. All his life he wanted, and he had the authority to get away with it. By this wife, whom he vigorously loved, he had many children, though all the boys died in infancy. The daughter, Angela Burdett-Coutts, mother, who like her sisters married into the beau monde, her husband was the washing and left-wing Whig, Sir Francis Burdett.

Thomas had no male heirs. In his quiet decisive fashion he was determined that the "trust" share of the money and control of major appointments should rest in his family. There was a complication, for, apparently with his wife's involvement, as a kind of intelligent Irish, Emma Hamilton. Like Emma, this girl became immensely rich, but unlike Emma, she had no share in the money. It was to her that he bequeathed the supremacy. After his death, she climbed further and became the wife of an ineffective duke. She kept a watchful eye on the whole Coutts brood, which was becoming large in order to find her own successor. She passed over grandsons, who were ruled out as useless, and finally elected Angela, who was the fifth and

youngest daughter of the Burdetts.

It was a brilliant piece of talent-spotting. Angela—who had under the terms of the will to change her name to Burdett-Coutts, and who was always known afterwards simply as Miss Coutts—was a tall and lanky girl, with a long and intelligent face. She probably lacked sexual allure and warmth, though she had plenty of emotional warmth. Her father, in the midst of his extravagances and many mistresses, believed in the emancipation of women.

Miss Coutts had a high academic intelligence. She learned languages well, had a passion for science, became a friend of Faraday. In fact, when she was the richest woman in England she became a friend of most of the great Victorians, who were indifferent to the magic of wealth, though there Faraday would have been as pure as a man can reasonably be.

Miss Coutts applied herself to the Coutts business, and soon understood it. Much to her irritation, the Duchess's will, though giving Miss Coutts the supremacy, prevented her from interfering in day-to-day operations. That was a mistake. The bank would have been even richer if she had taken charge. However, she devoted herself to philanthropy, on the biggest scale ever known in Britain. She did it quietly, being abnormally sensitive, and she had the wit to obtain the best possible guidance in the person of Charles Dickens. The two of them became loving friends, both at the time young Dickens just over 20, and Miss Coutts just over 20. Mrs. Healey suggests, with some evidence, that Miss Coutts was the central origin of Agnes Wickfield, second wife of Mr. Copperfield. She didn't evoke any amorous feelings in Dickens, which tells us something about her, but he said that she was "the noblest spirit we can ever know." That was a piece of semi-official rhetoric, but in a more subtle and private passage he also said that she had the gift of seeing clearly with kind eyes. This was one of the deepest tributes Dickens ever paid to any



Angela Burdett-Coutts, a friend of Dickens and the Duke of Wellington, subject of a biography reviewed to-day

one trying to do good, and throughout their alliance he was at his best.

Miss Coutts tried to reconcile him to his wife after the separation. Miss Coutts's will was as strong as Dickens's and at other times—almost unknown in conflicts with Dickens—she had been known to prevail. Not that time Miss Coutts understood many things, but not sexual love.

That innocence exacted a price in her own high-minded existence. She had a long intense friendship with an ex-governor who became in turn something like a companion and then chief intimate. To this woman Queen Victoria, a great admirer of Miss Coutts, often sent tender messages. Only the pseudo-sophisticated would imagine that that relation had any kind of sexual expression. Miss Coutts also had a series of passionate hero-worships for men of action, a rather subtle and private passage he also said that she had the gift of seeing clearly with kind eyes. This was one of the deepest tributes Dickens ever paid to any

of these passions was for the Duke of Wellington. The Duke could never resist the devotion of an adoring young woman, and he esteemed both Miss Coutts's spirit and hard good sense. In his late seventies, when she was not much over thirty, he became half in love with her. She gravely proposed marriage. The Duke considered it, but he had an acute sense of the ridiculous, and decided that it wouldn't do.

At long last, Miss Coutts's pent-up emotions were too strong for her. When she was nearly seventy, she became infatuated, and then deeply in love, with a man half her age. She insisted on marrying him. Even if we look at the situation clearly but with kind eyes there isn't much doubt that he wanted her money. He got rid of much of it, and diminished her austere glory. But we ought to hold on to Dickens's words. She was a remarkable and good woman, and no one could have more devoted than good luck she had.

## Before the fall

BY ALEX DE JONGE

**The Men of Liberty by Claude Manceron. Eyre Methuen, £7.95, 650 pages.**

It is fashionable nowadays to frown at narrative history, and positively to sneer at the kind of history that strings a whole series of short episodes together into a narrative patchwork quilt. However, I can't see any-one frowning at this magnificent book. *The Men of Liberty* is the first of projected eight volumes on the French revolution. Set in the ancien regime, covering the period 1774-78, it is simply the most enthralling piece of history I have read for a very long time.

It unfolds those years before us, imparting to the reader a vasty enriched sense of time, manner and place. M. Manceron uses very short chapters to cover the lives of various characters during the period in question, jumping from one to another in mid-action.

Some are unknowns, like the two young dragons who committed suicide because they were "disgusted with the universal scene," others, like Voltaire occupy the forefront of the contemporary stage, some, like the Antoinette expect life like go on to play a part in the future. In his carefully selected pictures of both public and private life the author makes a whole era come alive; an irregular, violent, often unjust society full of anomalies and special instances, in which if you were lucky you

could always bend the law, while if you were not the establishment would put you away for ever regardless of what the law might say in its defence. All this, incidentally, concerned people more or less in the public eye; beneath that small number there existed another, unknown France consisting of 20m. starving peasants.

The book also conveys a sense of the deadly inertia of old Europe, an inertia which frustrated all the efforts of various urgent reformers who tried to overcome it, frustrating even more men of ideas looking powerlessly on from the sidelines. Frustration turned men into adventurers, Casanova, or indeed Mirabeau, since the scope for personal adventure in the old regime was considerable, as were the penalties. Much of Mirabeau's energy went into the equivalent of breaking school rules, petty restrictions on his freedom of movement for example, in his wild and eccentric courtship of Sophie Monnier, abetted by an ex-lover who just happened to be his sister, and constantly coming up against the judicial relics of a once authoritarian culture now falling apart.

This is an outstanding book which handles its material brilliantly. It makes for fascinating reading, and scholars reading five years of history and a whole world are brought to life. It is essential reading to anyone with the slightest interest in the ancient regime and its peculiarly tangy *douceur de vivre*.

Robespierre, will be making history. For the French revolution was revolution without revolutionaries. It had no equivalent of a Lenin in Zurich. Although M. Manceron controls a vast amount of original material, he is never pedantic. A lively writer and a lively mind, his zest for his subject even survives an abuse of the historic present, which works better in French than in this otherwise outstanding translation. The author is never too much the scholar to turn his back on spice: Joseph II of Austria came to visit his sister Marie Antoinette and Louis XVI in order to provide those two innocents with a piece of simple but clearly effective sex-counselling—the queen was pregnant soon after he left.

The author also begins to trace the career of the Marquis de Sade, lending credence to some of the more fanciful allegations of violence that were made against him. One only hopes some later volume will have him recall that de Sade was said to have incited the mob storming the Bastille to its final effort by yelling obscenity and encouragement to them through a drain opening in his cell.

In his carefully selected pictures of both public and private life the author makes a whole era come alive; an irregular, violent, often unjust society full of anomalies and special instances, in which if you were lucky you

## Marxism's new look

BY GILES RADICE

**Marxism and Politics by Ralph Miliband. Oxford, £3.50, 392 pages.**

Professor of Politics at Leeds University, Ralph Miliband is a distinguished Marxist scholar with an original and subtle mind. His short introduction to Marxist politics is clearly and, within the limits of his own position, critically written. But for me at any rate it raises more questions than it answers.

Until recently, the study of politics has been largely ignored by Marxists. Miliband explains this, partly by the emphasis Marx himself gave to economic and institutional relationships, partly by the extraordinarily complacent view taken by early Marxists of the ease with which political problems could be solved in post-revolutionary societies ("the government of persons is replaced by the administration of things, and that a hideous impact of Stalinism on independent Marxist thought. In his attempt to construct a Marxist approach to politics, Miliband relies primarily on the writings of Marx and Engels—though he interprets them in the light of modern conditions and of his own judgment.

A major difficulty is that Marx was primarily concerned with the class conflict that arose from the exploitation and domination of the proletariat by the bourgeoisie, and within capitalism, and the workers through the "overthrow" of capitalism. Though obviously these are all political issues, the Marxist approach, for the most part, ignores the more traditional concerns of politics—such as the government and governance, and how individual liberties should be defended and enlarged.

An even greater problem is that the central Marxist ideas of capitalism, irreconcilable class conflict, revolution, and the dictatorship of the proletariat have been largely overtaken by events in the western industrial democracies. Can we really continue to talk about capitalism in the original Marxist sense when, as in this country, State spending is about half the total spending and the public sector accounts for just under half of gross capital formation and net capital stock and workers nearly a third of all employers?

Even Miliband occasionally has his doubts, as when he says "Marx's old mole has continued to burrow—so much so that the real question is progressively coming to be what kind of light of modern capitalism is burrowing, and, as a related question, how it is realised." And how are we to assess the irreconcilable conflict between the proletariat and bourgeoisie when the numbers of industrial workers are declining and those of white-collar workers are increasing as a proportion of the labour force, when the divisions between classes are blurring at the edges, and when despite unemployment and inflation of

the 1930s, the increase in western living standards since the war makes revolution seem irrelevant to the vast majority? And how can the dictatorship of the proletariat be a legitimate concept in societies in which basic democratic freedoms have been at its face value, is more a triumph for democracy than for Marxism. For it means abandonment of the original Marxist idea—irreconcilable class conflict, revolution, and the dictatorship of the proletariat.

If Mr. Brezhnev and other states in Eastern Europe. He Eastern European Communists points out that the civic freedoms of western societies are the implications of this development, our problem is to decide whether "Euro-Communism" is a merely an electoral tactic and Marxist politics is to defend how far it represents a genuine threat to their class boundaries. A state democratic liberties—and should be treated as such. If it is the case, then the sooner they the author is well aware that abandon their "Communist" it was the great attraction of label and apply to join the democracy for the inhabitants of Socialist International the better. Perhaps Professor Miliband in electoral possibilities that this his next work could address opened up. Have persuaded himself to this vital issue.

## When the President had power

BY ZARA STEINER

**A Rendezvous with Destiny by Elliott Roosevelt and James Brough. W. H. Allen, £5.95, 448 pages.**

**Roosevelt and Churchill by Joseph P. Lash. André Deutsch, £8.95, 526 pages.**

Franklin Roosevelt remains an enigma, a strangely isolated and highly sensitive figure who must be seen in the context of the American presidents. Both these books, though of unequal importance, attempt to bring the reader closer to this elusive figure. Elliott Roosevelt's defensive and somewhat naive portrait of his father is the lighter of the two books. It is a highly personal memoir whose value lies in the son's vignettes of his family, and particularly his mother, and the

many crises and colleagues. P. Lash, Tom Corrigan, Miss Hand, who comprised Roosevelt's inner circle.

There is an extremely hostile though interesting portrait of Harry Hopkins and a critical view of William Bullitt whose role in the Sumner-Wellas case is again explored. What emerges from these large in order to find his paralysis, on his wife, and intimates for news of the world outside the White House and yet his inner detachment from all who advised him. Roosevelt's sense of physical isolation may shift in public opinion.

The son also records his impressions of those wartime conferences with Churchill and Stalin which he attended as

Roosevelt's aide. There can be little question that Elliott disliked Churchill though it is difficult to distinguish between the son's and father's impressions or between past memories and present views. In any case, the younger Roosevelt stresses the president's suspicion of the prime minister, his great caution, and his dislike of Churchill's conservatism. Without any doubt, the president preferred to deal with Stalin alone and felt that Churchill's interference only complicated an already difficult task.

It is this general theme which constitutes the heart of Joseph Lash's far more serious and important study of the Roosevelt-Churchill partnership between 1939 and 1941. This book was conceived as a companion to the recently published correspondence between the two men. As might be expected from the author of *Eleanor and Franklin*, a person whom Elliott Roosevelt portrays as his mother's surrogate son, the American side is more impressively handled than his British parallel. The American archives have been more thoroughly explored and the domestic framework examined in far greater detail.

Mr. Lash develops two themes. At one level, he traces Roosevelt's enormous expansion of the presidential powers which brought the United States to the brink of war without Congressional consent. The problems posed by an "imperial presi-

dent" can hardly escape the notice of a post-Vietnam writer of democracy. Lash never quite loses sight of this, though by the time he reaches the level, this is a mastery account of a long courtship and a successful marriage. Churchill did not believe from the start that Hitler could not be defeated without American intervention. Like the president, he did not expect the Russians to win and anticipated only a few months' respite for Britain. "You'd have thought he was being carried up into the heavens to meet God," wrote Harry Hopkins of Churchill's first wartime encounter with Roosevelt.

The president had other options. He hoped that by supplying Britain with the tools of war she could survive without American participation in the struggle. The president proved a hard bargainer in part because of the strength of isolationist sentiment but also because of inherited suspicions about British intentions, present and future. Churchill's position was not a variable one. He could not afford to be satisfied yet he had to convince Roosevelt of the necessity of war. He found Roosevelt maddeningly cautious; the Foreign Office had to intervene to moderate his instincts. There were disagreements. The Prime Minister underestimated the strength of American isolationism and the depth of Roosevelt's political cunning and executive power. Churchill failed to understand

the importance of the "Arsenal of Democracy" speech. He feared that aid for Britain would be diverted to Russia and that a Japanese war would reverse Roosevelt's order of priorities.

Yet in the end Churchill prevailed. Not only did Roosevelt commit American resources to Britain, but during 1941 became convinced that intervention would be necessary. His actions in the Atlantic were intended to provoke Hitler though the latter's cunning did not desert him until after Pearl Harbour. The marriage could then be concluded but it never was an equal partnership. Differences in personality and methods, brilliantly sketched in the chapter, *Two Primes*, were less important than disparities in economic and military power, and Roosevelt's exaggerated fears, sustained by Churchill's rhetoric, about a powerful postwar British Empire. This was a partnership in which the old national roles were reversed and each side had to adjust to a new position. Mr. Lash leaves his readers in no doubt about the weaknesses as well as the strengths of the Anglo-American connection even before Stalin fully entered the scene.

This is a stimulating, authoritative and well-written book about two giant personalities, who will continue to provoke commentary and controversy for many decades to come.

### BOOKS OF THE MONTH

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## Goldsmith's genius

BY ALAN HODGE

**The Noble Man, The Life and Times of Oliver Goldsmith by John Ginger. Hamish Hamilton, £7.95, 408 pages.**

Mr. Ginger's book on Goldsmith is a masterpiece of the painting of his portrait by Joshua Reynolds in his studio at Leicester Square. This was in August 1766, when Goldsmith was aged 38. The *Vicar of Wakefield* had just been published and well received. Goldsmith was a poet, a traveller, but *The Squire to Conquer* was not yet written, nor his best poem, *The Deserted Village*. For some years he had been a medical student at Edinburgh, Glasgow and Leiden. Goldsmith had been in London working as an active journalist and a gifted publisher's back. In Reynolds' portrait he has a receding jaw, a long nose, a coarse full mouth and a cautious clear forehead; the slightest hint of anxiety and a perpetual look of conversation that was sometimes gauche and awkward, but often showed unexpected originality.

Goldsmith was aware of his own defects, which is perhaps why, to offset them, he often dressed in strikingly coloured wigs. Towards the end of his life he wrote some verses about himself, "Club," based on Sturgeon's dinner in the 17th century to which guests brought their own food. Of his own contribution he wrote: "Then Hiccup's a capon, and by the same rule."

Magnanimous Goldsmith, a rooseberry fool.

On Reynolds, in the same set of verses, he was appreciative: "born to improve us in every part; his pencil our faces, his manner our hearts." And he how Sir Joshua, who was growing deaf and used an ear-trumpet, dealt with talkative coxcombs on painting matters.

When they talked of their Raphaels, Correggios and stuff, He shifted his trumpet and only took snuff.

In his *Life of Johnson*, Boswell is rather hostile to Goldsmith's vanity and desire to be conspicuous in company. "His mind resembled a fertile, but thin soil. There was a quick but not a strong vegetation, of what self he was to be thrown upon the world. No deep root could be struck." Johnson himself seems to have thought differently, over Goldsmith in 1761 at his lodgings in Wine Office Court. Perhaps the *Vicar*, who had been a reservations about Goldsmith, well described the nature of his appeal when she wrote of John Street in 1774 at the age of 45, partly because he doted himself with unsuitable remedies of his own prescription. Johnson's "Club" friends wished to have him buried in Westminster Abbey, but Reynolds revealed that he had left debts of £2,000 to be thrown upon Johnson. Sudden sallies at the north side of Temple Church.

Mr. Ginger in his biography is revealing, and well annotated, about Goldsmith's Irish background and his medical studies which never brought him a genuine degree, although he ascribed one to himself. In his early manhood he toured Flanders, France and Italy, playing his flute and behaving like a wandering scholar and a professional enter-tainer. At times he had had dreams of emigrating from Cork to America or of becoming a nabob in India. But London became his centre. He died of fever at Brick Court off Fleet Street in 1774 at the age of 45.

Every Inch a Lady by Joan Fleming. Collins, £3.25, 193 pages

A young married couple with, it seems, everything to live for. He is rich and handsome; she is beautiful and an orphan. Then he is found brutally and inexplicably murdered. His bereaved father starts investigating, but is soon murdered in exactly the same fashion. As always, Joan Fleming holds your attention, even if this story is not so well-crafted as her best.

## Crimes

BY WILLIAM WEAVER

Every Inch a Lady by Joan Fleming. Collins, £3.25, 193 pages

A young married couple with, it seems, everything to live for. He is rich and handsome; she is beautiful and an orphan. Then he is found brutally and inexplicably murdered. His bereaved father starts investigating, but is soon murdered in exactly the same fashion. As always, Joan Fleming holds your attention, even if this story is not so well-crafted as her best.

in this story of a brokerage firm, one of whose partners is the navigator-scientist, sleuth of the book. He is pitted against a ruthless business man and, of course, the incredulity of the official forces of law and order. The numerous characters are portrayed with economy and yet with persuasive detail. Briskly paced.

Vernon Scannell, in an article in the *Financial Times* of December 28, referred to this book, *A Proper Gentleman*. This is published by Robson Books at £3.95.

## Cautionary tale

**Truck by John Jerome. The Bodley Head, £3.50, 145 pages.**

Every back-to-nature freak has a problem. How far back does one go? John Jerome decided that for his little piece of New Hampshire he still needed some form of mechanical power—a pickup truck. Not a new truck. That would be a betrayal of his ideals. But an old clapped-out truck that he would completely rebuild to prove his self-sufficiency. His amusing little book catalogues his problems from buying "your basic truck" to the time when it was running again—but not quite as good as new. It is a cautionary tale for all those with limited practical knowledge of embarking on a similar project.

## FINANCIAL

Money supply M1 and sterling M2, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (fm.); building societies' net inflow; HP, net credit; all seasonally adjusted. Minimum lending rate (end period).

	M1	M2	Advances	D/C	RS	BP	MLR
	%	%	%	%	inflow	lending	%
1976 4th qtr.	3.9	8.8	14.4	1.417	132	327	141
1977 1st qtr.	-3.6	-10.2	5.3	-1.382	492	339	101
2nd qtr.	16.8	15.3	0.5	809	1,290	352	8
3rd qtr.	34.4	14.8	20.2	-236	1,084	394	7
July	19.5	12.0	26.2	-293	320	363	8
Aug.	22.0	9.4	24.0	-69	302	417	7
Sept.	34.4	14.8	20.2	176	462	402	6
Oct.	35.8	17.5	0.0	298	580	386	5
Nov.	41.5	19.8	2.1	289	554	372	7

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (Jan. 1952=100); trade weighted value of sterling (Dec. 1977=100).

	Earn.	Basic m.	Wholesale	RP*	Foods	Comdy.	Strg.
	%	%	%	%	%	%	%
1976 4th qtr.	109.9	329.9	233.9	165.8	172.7	250.8	59.6
1977 1st qtr.	112.5	341.5	249.0	174.1	184.7	276.4	61.8
2nd qtr.	114.5	347.8	259.0	181.9	191.1	280.9	61.6
3rd qtr.	116.1	341.1	267.7	184.7	192.1	289.9	61.8
July	118.2	344.6	268.5	183.8	192.0	293.2	61.0
Aug.	118.7	338.5	268.9	184.7	191.9	298.9	62.0
Sept.	119.6	339.1	269.2	186.7	192.5	298.5	62.4
Oct.	117.9	333.9	271.9	186.5	192.3	298.5	62.5
Nov.	130.3	371.9	187.4	192.9	193.8	298.5	62.5

\* Not seasonally adjusted.

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETTERS

## SAFETY Closer look at silo explosions

THE fact that there have recently been several grain silo explosions in the U.S. throws the spotlight on an investigation about to be carried out by the Wolfson Applied Electronics Advisory Unit at the University of Southampton.

A team will be looking into the whole question of explosion hazards in stored/pumped powders, since the problem arises in several other industries where powdered foodstuffs and finely divided substances such as paint and polymers are handled.

The unit, part of the Electrical Engineering Department, has recently received £90,000 from ten companies with an interest in the problem including Glaxo, United Biscuits and Bestobell Mowbray in the U.K., the latter an instrument company understood to be interested in providing hazard warning equipment.

A U.S. powder paint company, Nordson, is involved, and funds

between the two silos at various speeds and to measure the change on the powder by current measurement methods. The results, together with electric field measurements and other data, will be processed by a computer program with the object of plotting charge distribution patterns in equipment so that positions of highest charge can be seen.

But there are several knotty problems to be solved. For example, while the friction produced by pumping is building up the static electricity, leakage due to dampness and the conductivity of the powder involved will be draining it away. The delineation of what constitutes a hazardous charge level could depend on a sizeable number of variables.

However, solutions involving loss of product will be avoided; for example where the product is cheap enough venting panels can be used through which any explosion is directed safely, accompanied by a good deal of the powder. Unfortunately low pumping speeds are also unlikely to find favour in industry, even though a possible cause of the latest U.S. explosions was excessive speed.

The investigation will extend over three years and is expected to play an important part in understanding the causes of such explosions and preventing them in the future.

More from Dr. Cross or Professor A. W. Bright on 0703 552256. GEOFFREY CHARLISH



This hyperbaric chamber was specially developed by Vickers Medical for a new Radiotherapy Centre at St. Thomas' Hospital, London. Hyperbaric medicine is a method of aiding recovery by placing patients in a pressurised pure oxygen environment. Maximum oxygen pressure is 30 psi. Its application in radiotherapy has been pioneered at this hospital since the mid-1950s. Known as the Canfield Radiotherapy Chamber, the new system has a hydro-pneumatic chassis with air-cushions to allow smooth movement and easy transportation. Special features

required by St. Thomas' include a greater length of cantilevered area and complete access for the radiation machine head below the patient. To achieve this the legs of the pressure door (at the patient's head) were made to fold upwards. The movement of the head is also accommodated by raising or lowering the hyperbaric cylinder on four hydraulic rams — maximum movement is 12 inches. To stabilise the unit when in position the forward air-cushions are swung outwards by air motors and hydraulic rams. Details from Vickers Medical, Leasingsteke, Hants. (0256 29141).

## Survival in the sea

A SURVIVAL suit, which is claimed to increase the survival chances of accident victims at sea, is being manufactured and marketed by Helly-Hansen A/S of Moss, Norway.

The Helly-Hansen D-600 suit is stated to be the only one of its type to meet the standards set by the Norwegian Maritime Directorate. These standards stipulate that a person must be able to remain in water at 0 degrees C. wearing only winter underwear beneath a survival suit, without the body temperature dropping more than 1 degree C in an hour.



The suit is insulated by a polymer-coated synthetic outer coating and foam lining. Sandwiched between these two layers is a section of metallised foil which prevents dissipation of body heat. The suit's buoyancy system consists mainly of soft synthetic, closed-cell foam built into the lining.

The D-600 is intended for use by seamen, fishermen and crews of offshore installations, and is constructed in such a way that it can be worn over ordinary clothing. It can be put on with assistance in less than two minutes, it is claimed.

Helly-Hansen's U.K. subsidiary is at 12, Ronald Close, Kempston, Bedford MK42 7SJ.

## Power line hazard warning

LIVES ARE still lost due to over-close approaches of mobile cranes and similar plant to high voltage overhead lines.

The safe working distance depends on the voltage, but is not easy to judge. To combat the hazard Siebe Gorman has introduced a device called Electromat which senses the electrostatic field surrounding the live conductors and delivers an audible warning whenever the jib approaches the minimum safe distance.

The operator is relieved of the task of distance judgement and the alarm will not stop until the jib is moved away an appropriate distance.

The unit is temper-proof, fully weather protected, and although mains operated is able to provide 30 hours of protection using internal batteries should the mains fail. Operating temperature range is -20 to +60 deg. C.

More from Avondale Way, Combran, Gwent NP4 1YR (08933 61211).

This new overhead projector from the Fordigraph Division of Orefex uses an advanced optical system to throw a sharp image at over 2500 lumens on to the screen. Made in the U.K. to British Standard safety specifications 3561 and 4644, the machine uses a quartz halogen 24-volt, 250-watt lamp and is available in two plate sizes of 254 mm or 285 mm square. The plates are interchangeable. The mirror unit pivots through 90 deg. offering a wide choice of picture heights and will even project on to the ceiling if necessary. The light unit can be adjusted for height by a fingertip control to eliminate colour aberration and facilitate ultra-fine positive focusing. A moulded fresnel lens refracts maximum light through the transparency on to the silicon coated mirror. A two-position switch gives two brilliance settings, with substantially increased lamp life on the lower one. More about the projector, which weighs 11.3 kg from Orefex House, Stephen Street, London W1A 1EA (01-636 3686).



## INSTRUMENTS Compact anemometer

ABLE to measure air velocities between 0.1 and 30.0 metres/sec, a hand-held electronic anemometer from Airflow Developments makes use of an electrically heated thermistor bead in which the electrical consumption to maintain a temperature of 150 degrees C is measured to give a reading of velocity.

The changes produced by variations in airstream temperature are compensated for by incorporating a second, unheated thermistor in the measuring probe: its resistance is dependent on air temperature and the instrument measures this, setting it off against the output from the measuring sensor. Thermal compensation range is 0 to 70 degrees C.

## Laboratory recorder

INTENDED for use in liquid chromatography, microcalorimetry and similar work, the £210 potentiometric recorder from LKB Instruments is capable of single or dual channel operation and uses disposable fibre tip cartridge pens to give clear, fine lines.

The recorder has seven calibrated inputs, 14 chart speeds and external chart drive control. The null balance servo system has a 95 per cent response time of 0.4 sec, and if the pens are driven outside the 200 mm chart paper limits a power cut off protects them from damage.

A useful facility in chromatography applications is the ability to control the recorder chart speed from the stepping motor of an LKB2120 Varioprep pump. In this case the chart speed is directly proportional to the flow rate, and void volume, peak retention volume and peak volume can be measured in units of volume directly from the chart. Any subsequent change in pump speed will result in a corresponding change in the chart speed.

More from 232 Addington Road, Selsdon, South Croydon, Surrey (01-657 5822).

## CONTRACTS AND TENDERS

### COMPANHIA HIDRO ELÉTRICA DO SÃO FRANCISCO CHESF

SUBSIDIARY OF ELECTROBRÁS

### BIDDING INVITATION

DS/GRAPE - 027/77-V  
V EXPANSION PLAN

### SIMULTANEOUS PRE-QUALIFICATION AND BIDDING

- COMPANHIA HIDRO ELÉTRICA DO SÃO FRANCISCO —CHESF by means of the Bidding Invitation makes public to all concerned its decision to open, simultaneously with a Pre-qualification Process of Manufacturers, an international bidding for the designing, manufacturing, testing, packing and delivering to the work site of the equipment listed below:
- 1a) 72-50 and 40 KA 2000 A 230 KV Circuit Breakers; 11) 28-80000/115 V Inductive Potential Transformers; 12) 86-60 KV Current Transformers; 13) 8-60 KV Three-phase Grounding Reactors; 14) 12 Oil Disconnecting Switches for operation of 144 KV Bank of Capacitors; 15) 30-60 KV On-Load Disconnecting Switches for Capacitor Banks.
- 2.0 For payment of the equipment referred to in item 1a above, CHESF will count with funds from I.B.R.D. Loan 1008/BR.
- 3.0 The pre-qualification process for the selection of firms to supply the equipment above is limited to Brazilian and/or foreign manufacturers, isolated and/or joint-ventures, at countries who are members of the International Bank for Reconstruction and Development and from Switzerland.
- 4.0 CHESF might, at its own judgment, make inspection at the manufacturers' plants in order to appraise their capacity to supply the equipment, object of this Bidding Invitation.
- 5.0 The instructions needed to prepare the pre-qualification documents and proposals, will be available to the interested firms at the price of Cr.\$2,000 (two thousand cruzeiros), per item, at the following address, as of December 26, 1977: COMPANHIA HIDRO ELÉTRICA DO SÃO FRANCISCO, DIRETORIA DE SUPRIMENTO, DEPARTAMENTO DE COMPRAS E CONTRATACOES —DCC, DIVISAO DE AQUISICOES ESPECIAIS-GEAPE, RUA DR. ELPHIDIO JORGE DE SOUZA, S/Nº, BONGI, RECIFE — PERNAMBUCO — BRASIL.
- 6.0 The Bidder is to submit each of the bidding documents required: a) Pre-qualification documents; b) General Bid; and c) Bid Price.
- 7.0 The envelopes as per the above referred item, will be received until 9 a.m. on February 28, 1978 when the simultaneous opening of pre-qualification documents and proposals for item 1a: I II III IV V VI will take place.
- 8.0 The envelopes containing the Bid Price will be opened later on a date to be announced to the bidders.

## APPOINTMENTS

### Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

**CHIEF DEALER** c. £15,000 p.a.  
Prominent American Regional bank requires a Chief Dealer for its London Branch which is shortly to be opened. Applicants should be fully experienced in the full range of dealing-room activities.  
Contact Mike Pope

**CREDIT ANALYST** To £5,000 p.a.  
Consortium bank seeks a junior Credit Analyst. The ideal candidate will be a graduate or be an A.I.B. with one year's experience in an American bank. Formal Credit training would be an advantage. Candidates should be in their early twenties.  
Contact Sophie Clegg

**BUSINESS DEVELOPMENT/LENDING** To £10,000  
A number of our clients are currently seeking bankers with all-round experience to expand the banks' U.K. business. Candidates would be expected to be thoroughly conversant with all bank services and well-grounded in Credit procedures.  
Contact David Grove

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

### PRODUCTION DIRECTOR/ MANAGING DIRECTOR DESIGNATE

c. £10,000

A medium-sized clothing manufacturers situated in Southern Ireland with a turnover of about a million pounds per annum are currently looking for a highly experienced production manager who would be responsible not only for all aspects of production control but would also be expected to lead a capable management team concerned with the financial and marketing areas of the company. This post will eventually lead to overall control of the company's operations.

In return the successful applicant can expect a salary in the region of £10,000 per annum and would be able to participate in a share option scheme together with usual fringe benefits.

Write to Box A.6192, Financial Times, 10, Cannon Street, EC4P 4BY.

### NOTICE OF REDEMPTION

To the Holders of

### Phillips Petroleum International Investment Company

6% Guaranteed Sinking Fund Debentures Due 1981  
Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on January 15, 1978, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, \$936,000 principal amount of the above described Debentures. The serial numbers of said Debentures so selected are as follows:

DEBENTURES OF \$1,000 EACH									
101	201	301	401	501	601	701	801	901	1001
1011	2011	3011	4011	5011	6011	7011	8011	9011	10011
1012	2012	3012	4012	5012	6012	7012	8012	9012	10012
1013	2013	3013	4013	5013	6013	7013	8013	9013	10013
1014	2014	3014	4014	5014	6014	7014	8014	9014	10014
1015	2015	3015	4015	5015	6015	7015	8015	9015	10015
1016	2016	3016	4016	5016	6016	7016	8016	9016	10016
1017	2017	3017	4017	5017	6017	7017	8017	9017	10017
1018	2018	3018	4018	5018	6018	7018	8018	9018	10018
1019	2019	3019	4019	5019	6019	7019	8019	9019	10019
1020	2020	3020	4020	5020	6020	7020	8020	9020	10020
1021	2021	3021	4021	5021	6021	7021	8021	9021	10021
1022	2022	3022	4022	5022	6022	7022	8022	9022	10022
1023	2023	3023	4023	5023	6023	7023	8023	9023	10023
1024	2024	3024	4024	5024	6024	7024	8024	9024	10024
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1037	2037	3037	4037	5037	6037	7037	8037	9037	10037
1038	2038	3038	4038	5038	6038	7038	8038	9038	10038
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1089	2089	3089	4089	5089	6089	7089	8089	9089	10089
1090	2090	3090	4090	5090	6090	7090	8090	9090	10090
1091	2091	3091	4091	5091	6091	7091	8091	9091	10091
1092	2092	3092	4092	5092	6092	7092	8092	90	



# Parish pump politics

BY JOHN CHERRINGTON

NEARLY twenty years ago I was staying on a ranch near Denver, Colorado, when my host had a visitor who turned out to be the local official in charge of roads. He was such a polite and ingratiating individual, asking if everything was satisfactory for my host's transport, that it came as no surprise to find that his position was subject to election every four years in that state. During the same trip to the U.S. I found, among the great prosperity of those days, isolated pockets of deprivation and misery mainly because on a national basis the members of these communities had no political pull at the centre.

## Responsible

This illustrated to me the essential benefits of American local government, which is local responsible control, and the dangers of far away government based on enormous constituencies. Of course there are possibilities of local irresponsibility, but they can in the end be corrected. But the effects of national policies are almost impossible for minorities to redress.

In Britain we seem to be getting further away from local involvement and trading very dangerous waters in activating an elected European Parliament with as yet undefined powers. To begin at home I see from my local paper that parish councils in Hampshire, to say nothing of groups of indignant residents, are continually complaining of what they call high-handed decisions of the planners and other bodies set in authority over them by the various Local Government Acts. The most common complaint is that the planners have allowed certain developments, without consulting those likely to be most affected by them.

One parish council requested, very reasonably I would have thought, that the planners should consult them before making a decision which could fundamentally alter their surroundings. They were told by a councillor that if such a procedure were to be followed there would be no time to govern the district, or words to that effect.

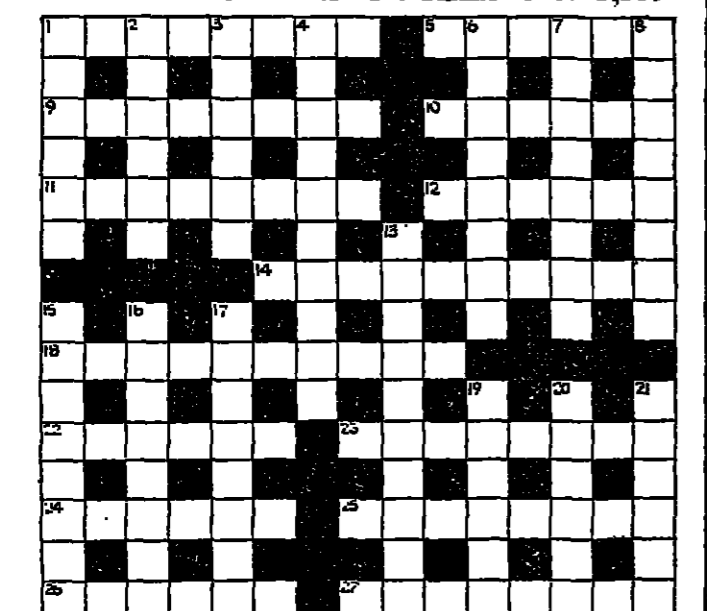
The rights and wrongs of this particular case are not my concern, but if local government is the basis of democracy, there is certainly a great deal wrong with it at the moment. It is generally held that matters have worsened since the changes brought about by the last Acts which drastically reduced the number of councils, and amalgamated them into larger units.

## TV/Radio

BBC 1

9.55 a.m. The Wombles. 10.00 Jackanory. 10.15 Boris the Bold. 10.20 White Horses. 10.45 Chase. 10.45 p.m. News, weather. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 Close. 3.25 Regional News (not London). 3.55 Day School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Scooby Doo. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Fred Bassett. 5.40 News, weather. 5.55 Nationwide. 6.45 Tomorrow's World. 7.10 Top of the Pops. 7.40 The Good Life.

## F.T. CROSSWORD PUZZLE No. 3,559



- ACROSS
- 1 Sheep from Beds upland (8)
  - 2 Renounce father's drink (4, 2)
  - 3 Turner at Lords is leaving by chance (3, 5)
  - 4 Fruit of the corn it could be (6)
  - 5 Three-quarters get in transparent detergent (8)
  - 6 Present during trial as one can certify (6)
  - 7 Criticism humiliation covering (4, 4, 2)
  - 8 ... flower found to suit comfort (8, 4)
  - 9 ... takes drug to bartender (6)
  - 10 Mechanical advantage of getting to bar on time (3)
  - 11 Fashionable excavation ought to produce colouring (6)
  - 12 Way a student takes one beast for another (8)
  - 13 Crescent-shaped lute? An attention magnet (8)
  - 14 Credit the States with the German campaigner (8)
- DOWN
- 1 Exquisite church takes round head water (6)
  - 2 Sweet going to fathered with charge for services (6)
  - 3 Putting Women's Institute on phone is electrician's job (6)
  - 4 Reserves for after the Fall (6, 4)

# Disagreement in the EEC over patent licensing rules

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE EUROPEAN COURT has already dealt with a great variety of attempts by large companies to prevent intra-trade in their products in order to protect local distributors selling at higher prices. Hoffmann-La Roche and United Brands, awaiting judgment, may soon be joined by Distillers, unless their dispute with the Commission settles satisfactorily. On a particular method of separating national markets, namely by restrictive clauses which are part of a patent licensing agreement, has come before the Court only rarely. There are indications that such cases of patent licensing will become one of its main preoccupations in the not too distant future.

## Withdrawal

Such a development can be expected to result from the withdrawal of British support for the project of an EEC regulation exempting certain categories of patent licensing agreements from the impact of EEC competition rules. After negotiations which have been dragging on for some two years, the Government has reached the conclusion that the proposed regulation would make matters worse and not better. The revised draft, produced by the Commission shortly before Christmas, is still felt to be highly unsatisfactory. Some small concessions were made to industry, these were offset by making other provisions more strict. In the end the CBI's view—that the adoption of a regulation in the form currently envisaged by the Commission would be damaging to the interests not only of the U.K. but of European industry generally—prevailed with the British Government.

In a letter addressed to Dr. Willy Schlöder, the Commission's Director General of Competition, the Department of Prices and Consumer Protection stated that the granting of exclusive licences and territorial restrictions on production and sales—the main targets of the Commission's objections—should not be considered prohibited (and therefore notifiable) until the European Court had had a chance to examine the issues thoroughly. This, of course, is a challenge of the

agreements. But to the dismay of industry, far from creating greater certainty and reducing the original provisions of the EEC Treaty. The DPCP letter asked for nothing less than that the words of the Treaty should be revived and accepted as law.

The Treaty of Rome prohibits restriction of trade between member states by tariffs, quotas and other means. But it states that this prohibition "shall not preclude... the protection of industrial property." The EEC Commission however, has interpreted this in its own way, insisting that patent licensing agreements containing restrictive clauses capable of affecting the internal trade of the Community, are prohibited and invalid in law, and that parties to such agreements must apply to the Commission for an exemption if they wish to avoid fines and secure validity for their agreements.

Certain restrictions on competition spring from the very nature of the patent system and are a necessary inducement for the transfer of technology by licensing. The conflict between the pro-patent view held by European industry, and that of the Commission, assumed a new dimension after the accession of the U.K. to the Community. British industry is much more active in the patent licensing field than its European partners and one of the first consequences of British accession had been an influx of thousands of notifications of patent licensing agreements to the Commission. A large backlog soon developed and still exists.

## Awareness

The Court, which has on several occasions manifested a greater political awareness than the Commission, will be faced with the task of hammering out rules which can serve the Community internally without jeopardising the basis of its external transfers of technology to developing countries. Since 1973 direct investment in developing countries has become more difficult and more insecure so that the importance of patent licensing as an alternative to direct investment has increased tremendously. The UNCTAD talks (taking place in Geneva indicate that the Group of 77 would be unlikely to accept more restrictive licensing agreements than are admitted under the EEC Treaty in business between member States.

# Leg-spinners take toll of England wickets

HYDERABAD, Jan. 4

AFTER 20 MINUTES play on the third day of the Second Test here, Boycott was run out for 79 and a remarkable change came over the game.

England were then 137 for 3, but just over an hour later they were 157 for nine before they were all out half an hour after lunch for 191. 34 runs behind the Pakistan first innings score of 275. Pakistan increased their lead to 139 by making 65 for one in their second innings.

Once again England suffered at the hands of a leg-spinner and Abdul Qadir took five more wickets to-day, finishing with six for 44 in 24 overs. It was a wonderful piece of bowling and this match confirms that Pakistan has discovered two extremely effective new Test cricketers—Qadir and Haroon Rashid.

It is sad fact that there is not a single English leg-spinner playing county cricket and England's vulnerability against such bowling is traditional. It was always a possibility that Pakistan's leg-spinners would win them this series but it was not expected that England's batting, Boycott's performance apart, would collapse so dismally.

## CRICKET

BY HENRY CALTHORPE

Fielding 30 yards in from the boundary.

Boycott set off without waiting for the ball and Randall, seeing him coming, took a step or two towards him before realising there was no run and sending his back. Boycott, too far committed, was run out by a yard and a half when Randall drove a catch so low that Randall

waited for the umpire's decision. Roope had poked and prodded for half an hour as if each ball was going to be his last and finally Qadir a rather simpler return catch when he drove.

Taylor pushed forward to the next ball, a leg break which turned and hit his stumps. This made it 142 for six and after a full toss for four, Edmonds played back to Qadir and was caught behind.

At 163, Miller went forward to equal Qadir and was also caught. Quaintly caught behind. Qadir then played forward to Qadir and was bowled, but Cope and Willis both defended with spirit and stayed together for more than an hour before Cope turned up. Raja's soggy to backward short leg.

On this pitch and with England's batsmen so discouraged against legspin, an opening lead of 84 gave Pakistan a big advantage with 34 runs left. If they are to save the match, only Boycott is capable of doing it for them, and on the evidence I would not stake too much money on their chances of surviving for more than a day in the final innings.

# Dickinson is man to follow

MICHAEL DICKINSON, who at 6 ft. 1 in. is the North's tallest, is some 100 lb. heavier than most, and some would say most such jockeys, could be the man to follow at Doncaster this afternoon.

His mounts include his father's Angel Clare, Fanny Baby and the Mick Naughton-trained Chosen Slave.

The first to run is the seven-year-old Fable Amusant mare.

## RACING

BY DOMINIC WIGAN

Funny Baby, among the runners for the Rose Hill Novice Chase.

Winner of novice hurdles, Kelso and Ayr last spring, Fanny Baby has failed to make much of her season, but she is said to have come on a great deal since disputing the lead under three riders from home in her last race.

Newcastle's Long Town Hurdle, back in October.

If this is the case, she could have a winning debut over fences.

Chosen Slave, who bids to add to an already impressive list of victories in the 2½-mile Gainsborough Chase, made short work of Tuesday's easy Ayr winner.

Although he shoulders a 4 lb. penalty for that success, the veteran Chosen Slave is in such fine trim that I expect to see him again come out on top.

If he is to be beaten, it may be by the New Zealand-bred Granny's Gift, who makes his long journey from Stun Meller's Lambourn stable.

Angel Clare made up for an expensive Sedgfield failure at Market Rasen on Boxing Day, when disposing of 15 opponents in the Bruce Carr Trophy.

He beat little or nothing of note, and may do too much to be a threat to the talented though erratic Border Brig.

Mr. Essam Khushfidi owns a promising recruit to hurdling in the six-year-old Hunter's Joy, and I hope that this chestnut Head Hunter gelding, a promising 8th of 15 at Newbury, will be sent up to winning the first division of the Bawtry Novices Hurdle.

**DONCASTER**  
1.15—Fanny Baby  
1.45—Chosen Slave  
2.15—Hunter's Joy  
2.45—Border Brig  
3.15—Lok Yee  
3.45—Stimposon Jersey

**TAUNTON**  
1.30—Slide Over Baby  
2.30—Castaway  
3.30—Sylvia's Dream

# Masters event loses prestige

NEW YORK, Jan. 4

AS THE minutes ticked away towards the start of the \$400,000 tournament at the Colgate Masters this afternoon, tennis was appearing among the eight sports, over the next five days, will be contesting what should be the last major tournament of the 1977 season.

However, even before play begins the event has lost prestige. The decision to limit all but the doubles final to the best of three sets is a regrettable step.

In previous years, singles semifinals and final have been played over five sets but the change, according to Ray Benton, tournament director, is due to the demand of television.

"I believe that the five-set singles final would have been in the best interest of tennis," he admitted. "But it is tough to interest commercial television to cover more than two hours live and in the interests of building the event, it has to be three sets."

Now that tennis is inextricably a part of show business, this sort of thinking increasingly dominates the decisions of promoters and sponsors. It is a regrettable

trend which must be halted if the game is to retain its credibility with the public.

Already, there is a feeling that tennis money is going into too few pockets and, now that the players in the last showpiece of the year are being rewarded with more than double last year's

prize money of \$150,000 while competing over the snail and crab shorter course instead of the testing five-set formula, the value of the Masters as a measure of ultimate skill must be in question.

The other more serious shortcoming is the astonishing decision to use the sudden death 13 point tie-break system, which is not only illegal, but patently unfair to the players.

All Grand Prix tournaments are played under the rules of tennis which now incorporate the 12 point tie-break. It is unthinkable that the Masters will use a system adopted unilaterally by World Championship Tennis as a gimmick for their series.

Hasty consultations are being conducted between tennis referees Dennis Haskins and David Gray (gray is the international tennis federation, prior to the start of play to resolve this contentious issue. Let us hope that sanity prevails before the first ball is struck.

The first three days of the Masters is played in two main round-robin groups. With Vilas and Orantes in the men's group and the first and second ranked Americans Jimmy Connors and Eddie Dibbs, who meet this afternoon.

Connors was in restrained mood at the bonus cheque prize-giving ceremony and clearly irritated at his failure to complete in the minimum 15 Grand Prix tournaments (the players who complete the minimum 15 place prize of \$30,000. He knows he must win this tournament if he is to re-establish himself ahead of Vilas and his Wimbledon conqueror Bjorn Borg, of Sweden, at the top of the game.

# It can be made child's play

TAKING the family skiing these days is something of a trial. Kids eat up cash in a ski resort as fast as they do ice creams at the seaside. It is a great pity, of course, because skiing provides one of the best family holidays there is. Even when everyone is at a different ski standard there is still a sense of togetherness.

Tour operators are not particularly generous with child discounts—price cuts tend to be at the rate of 10 per cent on the children's share of the room; and, when sharing services are being used particularly, do not seem to exceed 10 per cent very often. The bargain hunter with children should look out charter-based tours, or go by car.

The joy of children on the slopes is the speed at which they learn. Teaching a 13-year-old girl the other day I had resigned myself to a laborious time on

ski instructors for a special period before main ski school or during the lunch break, an arrangement which is frequently somewhat cheaper than strolling up to the ski school desk and asking about private lessons. Two or three people can join up for a private lesson and still get much closer attention than is the norm in a ski class of ten or more. Two days' private tuition are worth a week or more in ski school.

Fortunately for me, the pupil in this case took easily to the concept of steering herself down the mountain. Forget all the theory and just imagine you are a waiter carrying a tray. At all times that tray must point the way you want to go, and at no time must you spill the drinks.

She went down hills of sufficient sharp incline to have me awkwardly stemming my way down behind, shouting aids ("bend your knees") which I could well have done with myself.

The trouble with children comes between four and eight. Most adults are eager for a quick hot chocolate, a shower and a couple of hours' sleep before hitting the dining table and the discotheque. Many youngsters find their skiing more tiring than they expected and want to eat around six or seven before a restful evening and an early night.

If you want to remain as a family then probably the best idea is a chalet or apartment house sort of cooking unit, when at least you can adjust meal times to suit most of the family tastes. European hotels tend to operate rather late meal times for the average British child.

Ski clothing can be a problem. There is surely little point in spending vast sums on kitting out a youngster with clothes which are going to last two weeks at most. There are one or two excellent clothing hire companies (more of that on a later date) and friends are surprisingly eager to pass on old snowsuits, goggles and hats which

their own children have long since outgrown.

Whether renting or buying, however, avoid cheap ski bindings (kids' legs break too, you know) and plastic gloves. The cost of frost-bite treatment can be quite high.

## SNOW REPORTS

Depth (ins.)	State of U.
SWITZERLAND	
Andermatt	22 40 Good
Champery	8 24 Good
Charmey	4 24 Good
Engelberg	6 28 Good
Grindelwald	4 14 Fair
Gstaad	4 16 Poor
Nardersdorf	4 12 Good
Klosters	12 22 Good
Lenk	4 20 Good
Lenzerheide	12 24 Good
L. Diablerets	16 40 Good
Leydis	4 18 Good
Morillon	16 28 Good
Murren	14 20 Good
Poremba	8 30 Good
Saas-Fee	16 48 Good
St. Moritz	14 20 Good
Villars	8 32 Good
FRANCE	
Avoriaz	30 56 Good
La Plagne	28 46 Good
Les Arcs	6 28 Fair
GERMANY	
Artenberg	6 28 Fair
Garmisch	3 12 Poor
Hindelang	6 14 Poor
Kleinwalsertal	16 33 Good
Mittenwald	8 16 Fair
Obertauern	8 10 Fair
AUSTRIA	
St. Anton	18 56 Good
Calmeisse, Main runs and lower slopes: Most runs complete new snow vertical runs: 1,600 ft. Access road: clear snow level: 2,000 ft.	
Glenais: Main runs: Most complete, new snow on a firm base. Lower slopes: Ample snow. Access road: clear snow level: 1,200 ft. Access road: clear snow level: 900 ft.	

## Weather for Northern Ireland

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South-West (Plymouth).

## BBC 2

11.00 a.m. Play School.  
11.10 Close.  
11.15 Open University.  
11.25 News, weather.  
11.30 Planets: Royal Institution Lectures.  
11.35 Newsday.  
11.40 Recital of Renaissance and Baroque music.  
11.45 World of Difference: The Broadcasters.  
11.50 Open and His Dog: sheepdog championship.  
11.55 "Why Shoot The Teacher?" starring Samantha Eggar.  
11.58 News, weather.  
12.00 Closer: Julian Glover reads "Growing Up," by Michael Burn.

## LONDON

9.30 a.m. Cartoon Time. 9.40 Documentary. "Cause for a King." 10.10 "Hopalong Cassidy." 11.15 Dymond. 12.00 Animal Kingdom. 12.10 p.m. Rainbow. 12.20 The Inventors. 1.00 News. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Hunters Walk. 2.30 The Squares. 2.50 The Cedar Tree. 3.00 The Little House on the Prairie. 3.15 Mr. and Mrs. 3.45 News. 4.00 Thames at Six. 4.15 Crossroads. 4.30 Wish You Were Here. 4.40 Mystery Movie: Rock Hudson in "MacMillan: Affair of the Heart." 5.00 Playhouse: "Home and Beauty." 10.00 News. 10.10 Time for Business. 11.15 Phyllis. 11.45 What the Papers Say. 12.05 a.m. Close: Debby Cummings reads about famous men and women.

All IBA Regions as London except at the following times:—

## RADIO 1

(5) Stereophonic broadcast.  
6.00 a.m. As Radio 2. 7.42 Noel Edmonds. 8.15 a.m. News. 8.30 a.m. Breakfast. 9.00 a.m. News. 9.15 a.m. The Beatles. 9.30 a.m. News. 9.45 a.m. The Beatles. 10.00 a.m. News. 10.15 a.m. The Beatles. 10.30 a.m. News. 10.45 a.m. The Beatles. 11.00 a.m. News. 11.15 a.m. The Beatles. 11.30 a.m. News. 11.45 a.m. The Beatles. 12.00 a.m. News. 12.15 a.m. The Beatles. 12.30 a.m. News. 12.45 a.m. The Beatles. 1.00 a.m. News. 1.15 a.m. The Beatles. 1.30 a.m. News. 1.45 a.m. The Beatles. 2.00 a.m. News. 2.15 a.m. The Beatles. 2.30 a.m. News. 2.45 a.m. The Beatles. 3.00 a.m. News. 3.15 a.m. The Beatles. 3.30 a.m. News. 3.45 a.m. The Beatles. 4.00 a.m. News. 4.15 a.m. The Beatles. 4.30 a.m. News. 4.45 a.m. The Beatles. 5.00 a.m. News. 5.15 a.m. The Beatles. 5.30 a.m. News. 5.45 a.m. The Beatles. 6.00 a.m. News. 6.15 a.m. The Beatles. 6.30 a.m. News. 6.45 a.m. The Beatles. 7.00 a.m. News. 7.15 a.m. The Beatles. 7.30 a.m. News. 7.45 a.m. The Beatles. 8.00 a.m. News. 8.15 a.m. The Beatles. 8.30 a.m. 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# The Guardsman

by B. A. YOUNG

The second act of Molnar's *The Guardsman* is as exciting as a walk on the tightrope. Lona, a successful actress well known for taking a new lover every six months, has arranged to meet in her box at the opera the glamorous Guards officer she has been seeing from the window of her apartment. We know that the officer is her husband, six months married and also a successful actor, who has adopted the disguise to test her fidelity, but we do not know if she knows.

Does she see through him? If so, at what point? To watch the two of them going through the actions of a conventional seduction that may be only play-acting for the two of them is comedy of a class not written much in the age of realism that has come to dominate the theatre.

Neither Diana Rigg as Lona nor Richard Johnson as her husband Nandor gives anything away, though Lona treads on thin ice when she cries "How wonderful to meet a man who doesn't project his voice to the gallery!" In fact, as we learn in the third act, she saw through the masquerade at once; but the adventure was as entertaining to her as it was cathartic to her husband. Indeed, as the final curtain falls she is once more at the piano, playing the Chopin that indicates the onset of her romantic wanderings and gazing wistfully through the window where only the day before she had seen her guardman.

No doubt because the play is about actors and acting, Peter Wood's production is consciously theatrical. Instead of opening in the sitting-room of Nandor and Lona's apartment, we open on the stage of the theatre, where they have been playing in *Othello*. The curtain-calls over, flats fall from the flies to enclose the sitting-room downstairs, but they do not transport us to every day life. We are in a small theatre set where the walls, designed by Ralph Koltai, are in painted flats covered in fantastic designs that incorporate three portraits of Diana Rigg in costume and before the curtain comes down on the first act we have seen more flats descend to take us into the ante-room of Lona's box at the opera, where



Diana Rigg and Richard Johnson.

## Elizabeth Hall

# Camerata Lysy

by ARTHUR JACOBS

Are Vivaldi's "great" if repetitive talents "poorly served" by devoting a concert entirely to him, as Ronald Crichton suggested on this page this week? The accusation of monotony in his music was happily evaded on Tuesday by a clear contrast of textures. As well as the usual sound web of bowed strings and harpsichord, there was the novelty of a concerto for mandolin (with James Tyler as soloist) and one for soprano recorder. (with Jeanne Dolmetsch).

The ensemble presenting the concert was the Swiss-based Camerata Lysy—some 18 young players from different countries, directed by Yehudi Menuhin's associate (and former pupil) Alberto Lysy. Already their reputation for fresh-sounding tone and finely disciplined playing is such that the house was full, and deserves to be so for their remaining concerts to-morrow and on Sunday. In Vivaldi's Opus 3, No. 11, one of the young violinists, Daniel Zisman, displayed an even-toned eloquence of his own as partner to Mr. Lysy himself. Wolfgang Mehlhorn being the colossus.

For all its fire, what Mr. Lysy's direction curiously lacks—and it is a lack made obvious by contrast with last night's two guest soloists—is the touch of fantasy and invention. Repeatedly in Vivaldi's scores, as in those of his contemporaries, there are places where trills, cadenzas and variations need to be supplied by the performers. Sadly Lysy read such passages badly. Vivaldi himself has thought of ending the slow movement of the Violin Concerto, Opus 3 No. 5, with such playing, old repeated chords.

## Record Review

# Songs for Mary

by RONALD CRICHTON

*Cantigas de Santa Maria* (vol. 1). Clemencic Consort/Clemencic. HM 977. Cassette 40977. Each £3.99.

*Cantigas de Santa Maria* (vol. 2). Clemencic Consort/Clemencic. HM 978. £3.99.

*Trobadours. Ochoa, Rondeleur/Lepauw, Depanneur/HMU*. HMU 566. £3.99.

*Musique Arabe - Andalouse*. Atrium musica, Madrid/Panigau. HM 389. £3.99.

*Messe de Barcelona*. Atrium musica, Madrid/Panigau. HMU 10.033. £1.99.

*Le Moyen-âge catalan*. Ars musicae, Barcelona/Gispert. HMU 10.051. £3.99.

*Cathedral de Toledo. C'orgue de l'Empereur*. Chapelet. HMU 782. £3.99.

*Orgues des Baleares (vol. 1)*. Saint-Augustí, Palma de Mallorca. Chapelet. HMU 949. £3.99.

*Orgues des Baleares (vol. 2)*. Saint-Augustí, Palma de Mallorca. Chapelet. HMU 948. £3.99.

Alfonso, the Wise, King of Castile and Leon from 1217 to 1250, is said by Gilbert Chase in *The Music of Spain* to have been "in many ways an unwise king, for he got his subjects into trouble through his inordinate ambition, and he often neglected affairs of state to indulge his passions for the arts and sciences." Perhaps that is why he is also known as the Sage, the Learned, or the Astronomer. We can forgive his political shortcomings and be grateful for his passion, above all for gathering together at his court a notable group of writers, poets and musicians, among whom the Moorish instrumentalists from Andalusia and troubadours and jongleurs from France were set to produce the celebrated *Cantigas de Santa Maria*.

The collection, embodied in a sumptuous box set now in the Escorial, contains over 400 songs or canticles in praise of the Virgin Mary, some of them apparently by Alfonso himself; some narrative, others being in praise of the tone often familiar or personal (no situation was too humdrum for the Virgin's aid to be invoked). The codes in the Escorial, also one in Florence which contains texts but no melodies, is illuminated with miniature paintings. The language was Galician, ancestor of the dialect of Northern Portugal, and even a smattering of tourist Portuguese will not be entirely at sea. Two records (in gramophone "volumes") containing the Prologue and 17 of the cantigas are included among the varied and appealing list now independent from the French branch of Harmonia mundi. They are available in Britain; if information should be unobtainable from dealers, try c/o Rediffusion, 19 Ramillies Place, London W.1, telephone 01-734 1483. Though one or two issues have previously appeared on other labels, the list is rich enough to demand a look at the records before they are spent. Notes are in French, sometimes translated into English. Words are in most cases provided, in the

original, with French translation. The format is the double envelope for one record, but it gives good protection, but leads to layout problems and provides less space for information than an interesting leaflet.

The selection of cantigas was recorded by the Clemencic Consort—while many English and German record firms devote an absurd amount of space to often uninteresting biographical details, Harmonia mundi goes to the opposite extreme. Who the Clemencic players are and where they work (from the names, they are evidently as multi-national as Alfonso's musicians) I must admit I don't know. Non-experts who can hardly tell a hoquet from a handsaw had better be careful, but I find the high finish, springiness and sharp colour of these performances most pleasing, while being slightly and probably unjustifiably worried now and again by the degree of sophistication. One or two of the songs, like the delightful, pastoral No. 73 (given here in an earlier version) sound "composed."

The singers include an outstanding counter-tenor, Zeger Vandersteene. Among the instruments are the hurdy-gurdy, the Moorish guitar and the zarb, a kind of drum (not discoverable in the Pelican Musical Instruments through the Ages) played with ravishing delicacy by one Clement. Whatever the illuminations may be, the codes evidently give no instructions for performance. Just how much divergence there may be in modern practice is indicated by comparing the version heard among the group of Cantigas on the "Troubadours" record of No. 340, "Virgen, madre gloriosa," with the Clemencic one. The latter uses three singers and a flute, a solo baritone unaccompanied. The effect of the single voice is beautiful in a consciously austere way. Like a romantic church over-restored, with later accretions removed.

That goes as well for most of the cantigas sung by José Luis Ochoa on HMU 566—since Alfonso's train included troubadours and the reverse has genuine troubadour songs sung by a different baritone, Louis Jacques Rondeleur, with viole and tambourin, the title of the record is admissible. Madly, with this record no words are supplied. The Barcelona Mass on one side of HMU 10.033 is an important survival from the period of 14th century. Ars Nova (it contains the earliest known polyphonic setting of the Credo) sung and played by northern composers as Sweelinck, Scheldt and Pachelbel. Thus the gramophone enables us to hear musical treasure hidden in remote religious foundations. If they hadn't been so hidden, the organ would more than likely have been destroyed or ineptly restored.

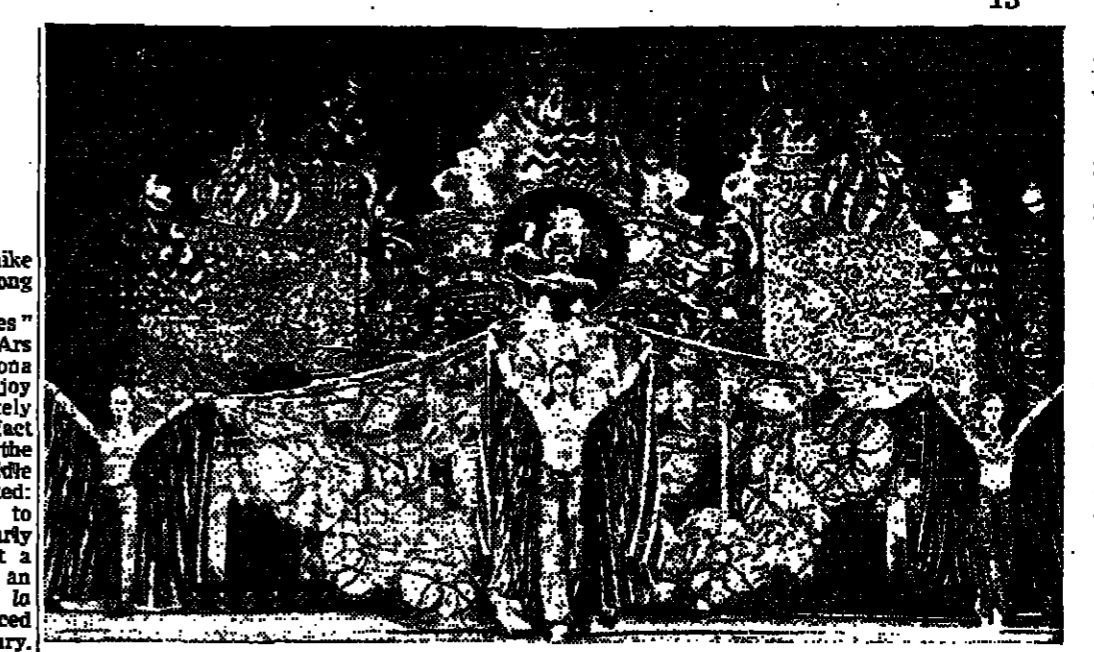
The same Madrid group is heard on HM 389 a recital of Arabo-Andalusian music welcome for rarity and historical appeal. Material and style have been transmitted by oral tradition through Arab performers in various North African centres where Moorish musicians settled after they had been expelled, centuries ago, during the reconquest of Spain. Some items are enjoyable, but a few are disappointing. Ravel's *Bohème*, others are more fun to read about than to listen to. The trickle of water

in one number, which sounds like a studio gimmick, is listed among the instruments!

The "Catalan Middle Ages" record (HMU 10.051) by the Ars Musicae Ensemble of Barcelona is literally a winner—these enjoyable performances of an astutely chosen programme did in fact win the Grand Prix for the Académie Charles Cros "Middle Ages" is broadly interpreted: four centuries from the 12th to the 16th are covered. Early music lullabies, perhaps, but a good introduction. There is an excerpt from the *Conte de la Sordida*, a liturgical drama traced back as far as the 10th century. The Agnus from the Barcelona Mass turns up again here in a version vastly different from the Atrium music one—no doleful buzzings and squealings but something serene and musical with the words coming through in the Madrid performance about the only understandable word is "miserere," and one feels inclined to echo that prayer.

The "Emperor's organ" in Toledo cathedral may, in respect of some of the glistering marble decoration, date from the time of Charles V, but the works, it appears, are late 18th century. The full sound, as revealed in the first of these three fascinating recordings by Francis Chapelet, is both rare and hilariously exhilarating, as though God were being praised with a thousand tooting trumpets and bubbling bassoons—the piece chosen favours the extrovert side. The Spanish character. There are battle-pieces, tientos and a jolly *ensalada*, literally a salad of tunes and rhythms. This Emperor of instruments is said to be in good state of preservation to having been rarely used—it seems to be in sparkling condition.

The two Balearic organs are tucked away in convents at Palma, Mallorca, at once near and infinitely far, one may surmise, from the tourist track. The Saint-Augustí organ (given confusingly on the label, though not on the sleeve, as the 17th century, the one at Saint-Jeroni half a century later. For Saint-Augustí Mr. Chapelet, clearly a player who knows exactly how to handle these instruments, chooses works by the outstanding composers of the period. For the deliciously clear, cool tones of Saint-Jeroni he prefers, in deference to ancient links between the organ builders of Northern Europe and Catalonia, such as Sweelinck, Scheldt and Pachelbel. Thus the gramophone enables us to hear musical treasure hidden in remote religious foundations. If they hadn't been so hidden, the organ would more than likely have been destroyed or ineptly restored.



The Arabian Dance, ACT II

## Festival Hall

# The Nutcracker

by CLEMENT CRISP

To raise a voice against *The Nutcracker* at this time of year is to invite accusations of Unseasonal Activities and crypto-Scroogism. So I will content myself with noting that the rites are being celebrated as usual amid the South Bank's concrete rainwater, and that on Tuesday an enthusiastic audience was plainly delighted with all it saw in Festival Ballet's staging. The production is Ronald Hynd's, and one which I admire a great deal because it makes the Stahlbaum household more credible than in any other version I know.

Margaret Miklos's Frau Stahlbaum a triumph of social aspiration is still a charmer, and Elisabeth Terabust and Patrice Bart on Tuesday were very much in command of the roles of Louise and Karl. The duet at the

end of the first act was mellifluous done, the bravura of the grand pas de deux was bright as anyone could wish. My own wish, crying as it may seem, is that some of the spiritual and pyrotechnic fireworks should have been removed from this beautiful piece of choreography and the grand display of step and style that Alicia Markova gave it should be restored. Then it might indeed prove the "Sergueiev after Ivanov" that is suggested by the programme.

This apart, Terabust and Bart bring sincerity to their dramatic playing and an easy assurance to their dancing, and Dr. D. S. artists go through their various paces with the best will in the world.

## Talk of the Town

# Buddy Greco

by ANTHONY THORNCROFT

Buddy Greco is the typical Talk of the Town top of the bill, so typical that this is his fifth visit and he is booked to appear at 11 o'clock every night for the next four weeks. Why, then, was the opening performance on Monday so dull, flat and unprofitable?

A big reason was probably tiredness, not so much on the part of the audience, although after battling with the food, the dance floor again, the edge has been taken off virtually every appetite before Buddy Greco appears, as on the part of the man himself, who flew in that very day. It shows a professionalism to be ready to appear, but some casualness as well.

His repertoire, comprising anything strenuous, His material—songs like *Quando, Quando, Quando*, *MacArthur Park*, *Around the World*, and *The More I See You*—has kept cabaret artists fed for many tedious years already. His attempts to amuse the audience were half-hearted, and his versatility was limited to twiddling the piano keys and drifting slowly across the stage.

Perhaps this is the beginning of the end of old style night club entertainment as we know it and hate it. There was a feeling that the customers expected a bit more than second-hand songs delivered in such a casual, throw-away, style. It was all dead and tired and unimaginative; there was almost certainly something more creatively entertaining on television.

## Lowry in Scotland

Following the Scottish Arts Council Gallery exhibition of the English artist L. S. Lowry's paintings in Charlotte Square, Edinburgh, the exhibition will now tour following places: January 21-February 11, Winton Lodge Museum, Hawick; February 19-March 12, Aberdeen; March 18-April 8, Dundee Museum and Art Gallery; April 15-May 6, Inverness Art Gallery and Museum; and May 14-June 4, Perth Art Gallery.

## ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET		THEATRES		THEATRES		THEATRES	
<b>COLISEUM.</b> Credit cards 01-2640 5288. Reservations 01-236 2301. Tonight 7.30. Sat. 2.30 & 7.30. Orpheus in the Underworld; Tomorrow & Wednesday 8.00. Thursday 8.00. Friday 8.00. Saturday 8.00. Sunday 8.00. Tickets £2.50-£10.00. Bookings for Feb. next.		<b>COMEDY.</b> 01-230 2578. Evenings 8.0. Sat. 8.00 and 8.30. Sun. Thurs. 3.0. Mon. 8.00. 7.30. <b>Best Play of the Year</b> <b>HYWEL BERNETT</b> in Simon Gray's <b>OTHERWISE ENGAGED</b> Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>LONDON PALACE.</b> 01-437 7573. FOR A SUMMER SEASON. A NEW MUSICAL. Directed by CLIFFORD WILLIAMS. <b>LYRIC THEATRE.</b> 01-437 3586. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>QUEEN'S THEATRE.</b> 01-734 1166. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.	
<b>COVENT GARDEN.</b> CC. 01-240 7056. (Gramophone credit cards 01-240 7056). <b>THE ROYAL BALLET.</b> 01-240 7056. 7.30. <b>Swan Lake.</b> 8.00. <b>The Sleeping Beauty.</b> 8.00. Tickets £2.50-£10.00. Bookings for Feb. next.		<b>CRITICISM.</b> CC. 01-236 3216. Evenings 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>LYRIC THEATRE.</b> 01-437 3586. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>ROYAL COURT.</b> 01-730 1745. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.	
<b>DUKE OF YORK.</b> CC. 01-236 3122. Mon-Fri. 8.00. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>DUKE OF YORK.</b> CC. 01-236 3122. Mon-Fri. 8.00. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>LYRIC THEATRE.</b> 01-437 3586. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>ROYAL COURT.</b> 01-730 1745. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.	
<b>SADLER'S WELLS THEATRE.</b> Rosebery Ave., E.C.1. 01-732 1072. Until Feb. 3. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>SADLER'S WELLS THEATRE.</b> Rosebery Ave., E.C.1. 01-732 1072. Until Feb. 3. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>LYRIC THEATRE.</b> 01-437 3586. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.		<b>ROYAL COURT.</b> 01-730 1745. Eves. 8.0. Sat. 8.00. Sun. 8.00. 7.30. <b>'The Last Days of Pompeii'</b> . Directed by Harold Pinter. LAST WEEKS. Must end Jan. 21.	
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# Revised down again

THE forecasts of capital expenditure published regularly by the Department of Industry are not forecasts of the sort prepared by the National Institute and similar bodies. They are statements of future expenditure intentions by a sample of (mainly large) companies in the case of manufacturing industry, for example, the sample accounts for some 45 per cent of total capital expenditure. When the figures have to be revised, it is because these companies have themselves revised their spending plans. In recent months they have been revising them steadily downwards.

The most drastic revision related to the year just ended. The first tentative estimate was that capital expenditure in 1977 would be up by something between 15 and 20 per cent. By the spring, however, the probable range of increase had been brought down to 5-10 per cent, and by the autumn the figure had settled near the bottom end of this range, at 7 per cent. The figures of actual investment for the third quarter (the latest available) are an improvement on those for the first half-year and suggest that an increase of 7 per cent may turn out to have been reached. But the question remains whether this sharp drop from the increase originally planned implies a cancellation of investment plans or merely a postponement of them.

**Unrealistic**

The more optimistic postponement theory seemed to receive some support from the first survey of spending intentions for 1978, which showed an increase over 1977 of 12-17 per cent. As time went on, however, it began to seem only too likely that these figures were unrealistically large and that industry would once again revise its plans in the light of experience. The National Institute recently forecast a rise of only eight per cent. The Bank of England, though not suggesting any particular figure, expressed the opinion that many

# Participation at the Post Office

THE COMPOSITION of the new Post Office board, with its equal number of management and trade union members, together with an independent element including two members appointed to represent the consumers' interests, bears a close resemblance to the 2x plus y formula proposed in the majority report of the Bullock Committee a year ago. But the two-year experiment in industrial democracy which was launched at the Post Office yesterday owes its origin not to that report but to proposals submitted somewhat earlier by the Union of Post Office Workers following an invitation by Mr. Wedgwood Benn when he was Industry Secretary in 1974.

**Divided**

While the antecedents may differ, the new Post Office board will be regarded as one of a series of experiments in new forms of management-employee relationships which the Government is now keen to encourage. For Ministerial thinking has shifted a good deal in the year since Bullock. A forthcoming White Paper is expected to make clear that, while legislation may eventually be envisaged, the Government would prefer to see changes achieved by voluntary agreement, both in the private sector and in the state-owned industries where opinion about appointing worker-directors has been just as divided. To add to the air of pragmatism, the White Paper is expected to discuss extended systems of collective bargaining, the alternative to worker-directors favoured by Mr. David Basset of the General and Municipal Workers among others. Yet another option will be discussed in a further White Paper now being prepared in response to Liberal Party pressure on possible changes in the tax system to facilitate profit-sharing schemes.

This new emphasis upon a revolutionary, as against a distinctly welcome, approach is revolutionary. In some ways, the Post Office may be a good place to try out a scheme of worker directors for the industry has by and large a

IF Mrs. Thatcher needed to underline her belief that a radical improvement to the Conservative Party's position in Scotland is essential to any chance of winning a working majority at the next General Election, then her arrival in Aberdeen this evening should do so.

This visit, lasting until Monday night, is her ninth to Scotland since taking over as leader from Mr. Heath. While the Prime Minister has been making one or two trips a year to Scotland, his opposite number has been making two or three, usually combining a set piece appearance at a conference or lunch with a whistle stop tour of constituencies. One of her purposes has been to put heart back into local party organisations, which were demoralised by the crushing defeats inflicted by the Nationalists in the two 1974 elections. So she has been attending a lot of receptions for the Tory faithful, showing the flag and dispensing comforting words.

There have also been calls at factories and yards — which might be described as educational visits — and a large number of walkabouts, during which she has engaged in earnest conversation with shoppers about prices, and tried to leave an impression of concern which can be invoked again at campaign time. Mrs. Thatcher has been getting better at these events and although she has not quite equalled the effortless geniality with which Mr. Callaghan gets along with the Scots, the nervousness of the coloniser among hostile natives has given way to a more relaxed style. She seemed genuinely to enjoy her encounters with ordinary people during her tour of the Highlands in September and there is no doubt that from a public relations point of view it was a success.

The highlight of the present trip is a one-day conference for businessmen in Glasgow on Monday at which her opening speech will be backed up by others from Sir Keith Joseph, Mr. James Prior, Lord Thorneycroft, the Party Chairman, and the Shadow Scottish spokesman, Mr. Teddy Taylor. The invited audience of 250 — each of whom has been asked to pay £10 for the privilege of attending — should be the backbone of the Tory Party in the West of Scotland. Made up of successful managers and heads of small companies, the audience reflects the very essence of private enterprise.

But in recent years some have wavered. Financial support for the party from industry is poor and some individuals, like the farmers in the east, deserted the party to vote Nationalist at the last General Election. It is vital to win them back because the year ahead could be crucial for the Conservatives in Scotland, holding the promise of big gains to reverse the long-term decline in votes and seats, or the threat of a further slide from which it would be difficult to recover.

Over the past three years the Party's fortunes have waxed and waned. According to opinion polls, support for the Tories in Scotland has largely followed the national trend, although the size of the leads over other parties at times of triumph such as the Walsall and Worthington by-elections was smaller north than south of the border. The latest poll also reflected the national position. Having lost the lead in England and Wales, the Conservatives are back to third place in Scotland behind Labour and the Scottish National Party — back to the position they held in October 1974.

Local elections have shown a similar pattern. At the height of the Government's unpopularity last May, when Labour councils in England were massacred by the Tories, the Party's performance in Scotland was poor. Offered a straight fight in two Labour held constituencies, Aberdeen and Dundee, it failed to secure the ample

THE RISING TIDE OF THE SNP's FORTUNES				
ELECTION	CON	LAB	SNP	LIB
1955				
MPs	35	34	0	1
Poll %	50.1	46.7	0.5	1.9
1959				
MPs	31	38	0	1
Poll %	47.2	46.7	0.8	4.1
1964				
MPs	24	43	0	4
Poll %	40.6	48.7	2.4	7.6
1966				
MPs	20	46	0	5
Poll %	37.6	49.9	5.0	6.8
1970				
MPs	23	44	1	5
Poll %	38.0	44.5	11.4	5.5
1974 (Feb)				
MPs	21	40	7	3
Poll %	32.9	36.6	21.9	7.9
1974 (Oct)				
MPs	16	41	11	3
Poll %	24.7	36.3	30.4	8.3

# MEN AND MATTERS

**Red signal for Parker**

Train driver Dave Bowman went to Dundee's engine sheds yesterday and "had a word with the gaffer," as he puts it, about getting back to the job after a five-year break. That event gives Peter Parker, British Rail's gaffer-in-chief, no satisfaction at all. Parker wanted Bowman to join the BR Board, but the appointment has been vetoed by Transport Minister William Rodgers, according to high-level railway sources.

Bowman retired as president of the National Union of Railwaymen at the end of 1977. He will be 65 in March, so his stint "back on the footplate" will be brief, and Parker thought him ideal to fill the trade union vacancy that has existed on the BR Board for 18 months. After a lifetime on the line, and years at the top of the NUR, Bowman seemed tailor-made to bridge the "them and us" gap. But there is one thing about Bowman that could send a quiver through a Right-wing Labour man: until 1970 he was a member of the Communist Party. "I stood as the candidate in Dundee in seven elections — and lost seven deposits," he told me yesterday. "Then Jimmy Reid persuaded me that it was no use standing by my guns if they wouldn't fire any more. So I joined the Labour Party."

I asked him how well he gets on with Rodgers. "We are friends in my view. I've been to dinner with him several times. His wife's a splendid lassie." But when I asked him about the seat on the BR Board, he showed all the shrewdness that took him to the top of a big union. "I know it was aired around when I was president. But nobody said anything to me. Of course, I would have taken the job, if it had been offered."

I've studied railways all over the world, from Canada to the Soviet Union."

At the Department of the Environment, where Transport is housed, questions about the "Bowman affair" are quickly deflected: "There is nothing the Minister can say about individuals."

So Bowman returns to his old craft. "I'll have to remember how to stop the train without spilling the passengers' coffee," he says. What will happen after March? "I'll be like Mr. Micawber."

**Lost report**

There has been so much desperate activity in recent months centred upon saving works of art from leaving Britain, that speculation has been mounting about the non-appearance of the annual report of the Reviewing Committee on the Export of Works of Art. Even taking a generous view, the report — covering the year up to June 1978 — is about six months behind schedule. Does this delay hint at some dire quarrel between Lord Donaldson, the Arts Minister, and the committee?

It seems that the committee's long silence has more mundane causes. Civil Service cuts in Whitehall have stalled production of the review. With luck, it should be out at the end of February. So we shall have to wait until somewhere in 1979 to hear the committee's views on Mentmore. Significantly, perhaps, the committee, chaired by Professor John White of University College, London, was busy for much of last year on a memorandum for Donaldson on the way the system is working.

**Give it a whirl**

Sir Martin Ryle, radio-astronomer extraordinary and ardent advocate of windpower, is

By RAY PERMAN, Scottish Correspondent



A more relaxed Mrs. Margaret Thatcher taking a cup of tea at MacDonald Fraser's cattle market in Perth, last year.

majorities for which it had hoped, and in Glasgow, where Labour was most vulnerable, power has had to be shared with the SNP in a very uneasy alliance. Since then local by-elections have hardly provided stunning successes.

Organisation is perhaps the one bright spot, although it is still weak compared to the SNP. Like Labour, the Tories do seem to have stopped the rot among their own supporters in constituency parties — and are rebuilding their headquarters staff.

Apart from the General Election, which may or may not come this year, and the European Elections, the Party will have to fight regional council elections in May, the devolution Referendum in the autumn and, depending on the outcome of that, possibly the first elections for the Scottish Assembly next spring. It is the Referendum which could hold the key to the Party's future. The campaign, fought on the scale of a General Election, will come at the end of an eventful summer when political appetites will have been whetted by the local government elections and national feeling raised by World Cup football games televised from Argentina. Scotland has qualified, England has not.

The Shadow Cabinet has so far not discussed the stance it will take, but there is little doubt that the hard line opposition to the Government's proposals held by Mr. Taylor and shared by Mrs. Thatcher will be the one adopted. Having failed to kill the Scotland Bill in the Commons, the Party will put all its energies into persuading the Scottish electorate to dump it at the Referendum. The first seeds of this policy will be planted by the Tory front bench response to the Referendum proposal, when it comes up for discussion during the

committee stage of the Bill, and with the electoral liability of a policy which had dominated two legislative sessions, yet had no defects of this particular plan appeal to a majority of voters. The SNP would be discredited, with its plea of a "vote for Scotland" rejected in favour of a vote for Britain. And the Tories would be riding high on the euphoria of their first major triumph in Scotland for years: confidence would be restored, and the Party would be set to sweep all before it at the next General Election.

On the other hand, defeat in isolation would mean suffering all the consequences in isolation: Tories would be accused of opposing Scotland's just demand for a larger say over her own affairs. The temptation would be strong for Mr. Callaghan to follow a successful Referendum with a General Election, and Labour in Scotland would be in a good position to deflect some of the Nationalist attack away from itself onto the Tories. Having opposed the creation of the Assembly in the Referendum would hardly be the best back-ground for Conservative candidates in the first Assembly elections next year.

The constantly changing nature of Scottish politics makes it risky to say which of these two possibilities is the more likely. The outcome of the Referendum is not a foregone conclusion, but opinion polls have consistently showed a majority of Scots in favour of Scottish Party. The uncom- promising way in which he and his supporters have pronounced voters. Two polls at the beginning of last year showed about 35 per cent of Conservative supporters favouring devolution, and a further poll last month (by National Opinion Polls for the Glasgow Sunday Mail) showed the proportion up to 46 per cent, against 38 per cent opposed to an Assembly. The Party could still fudge guard.



"To be run on hot air, I presume."

**Brussels snuffle**

Long before Christopher Columbus set foot in North America, the Red Indian tribes discovered that grinding tobacco leaves down into a fine powder and inhaling it through a straw made them sneeze, but gave them a nice little burr of pleasure at the same time. Such were the origins of snuff.

The habit subsequently spread to Europe, but it only became really popular in the U.K. when a British fleet under Sir George Rooke captured a Spanish Treasure ship in Vigo Harbour and found it loaded, inter alia, with some 50 casks of top quality Havana snuff. This was subsequently sold off in Portsmouth at the knock-down price, even for those days, of four pence per pound.

Snuff taking enjoyed its heyday in the Regency period, when no self-respecting buck was to be seen without his ornate snuff box and lace handkerchief. Since then the habit has declined, but there are still around half a million habitual pinchers in the U.K. and last year consumption rose slightly, for the first time in years, to 350,000 lbs worth some £4m.

It is all thanks to the Common Market which, in the name of tax harmonisation, has obliged the British Government to lift the £5.85p per lb. customs and excise duties. Until now, snuff addicts have taken it on the nose continuously since 1590, when Elizabeth I imposed a duty of 2p per pound.

**Stranger yet**

ITV yesterday announced a change in to-night's *Anglia* viewing. It reads: "1930 hours, The Bionic Woman, amend subtitle to 'The Bionic Dog'."

**Observer**

**He's trained. He's good. He's blind.**

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

# Sterling's joy and the dollar's misery

THE RAPID rise in sterling seems to many ordinary citizens the beginning of the long-awaited British economic miracle. "The pound dances for joy," as one recent headline puts it. But people in high places have a way of looking on the dark side of everything. The industrial and economic establishments are worried about the threat to export profitability and corporate treasurers and accountants always see "exchange rate losses" in whichever direction rates move. At a so-called higher level, international financial statesmen are having their own fit of nerves about the decline of the dollar.

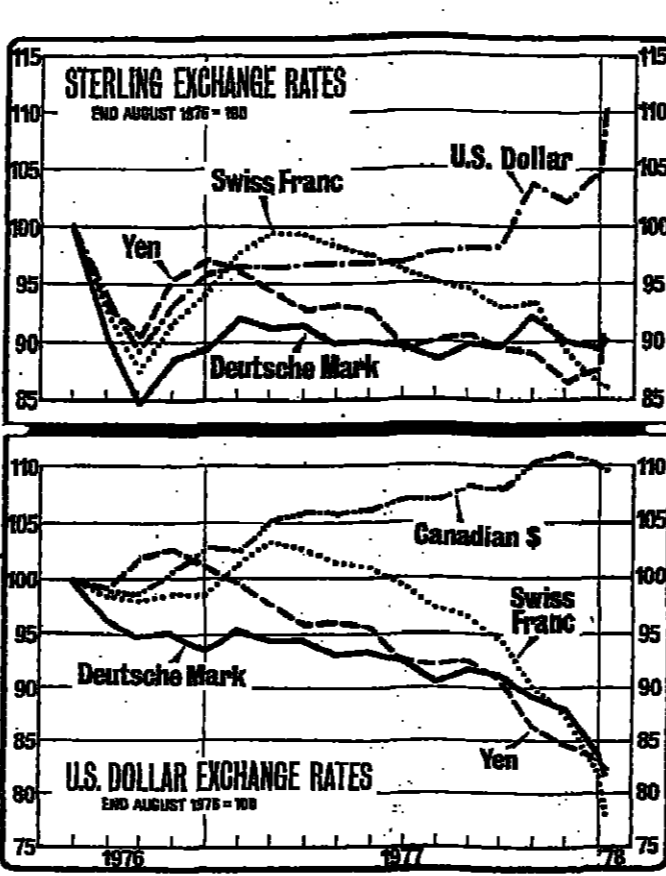
How one summarises all this to the sort of dinner-table companion who insists on being given a view, but only wants to know whether the news is good or bad, is an insoluble problem. But at a more prosaic level it is possible to make a rough distinction between the pound's joy and the dollar's misery. The best comparison to make is probably with September 1976. The reversal in the long downward slide of sterling is best measured from there rather than from the very lowest point it momentarily reached during the hysteria and rumour-mongering of October in the run-up to the IMF negotiations. Compared with end-September 1976, sterling rose by nearly 18 per cent against the dollar (before the U.S.-German swap was announced). The official trade-weighted average of sterling against all currencies had however risen by some 10 per cent, which gives a much better picture of what has actually happened to the pound.

Unfortunately one cannot assess exactly how far the dollar has itself depreciated quite so simply. The U.S. weighted index suggested a drop of only about 5 per cent since September 1976; but this is because of the very high weighting given to the Canadian dollar in the U.S. calculation. In terms of the German mark the price of the dollar has fallen by about 15 per cent, which exaggerates the true fall. The dollar's depreciation in terms of a basket of currencies of interest on this side of the Atlantic was probably somewhere between these two figures — say 10 per cent.

## Alternatives

If the dollar prospects remain clouded we are bound to hear a great deal more about alternative reserve assets. The two main contenders would be some sort of revised Special Drawing Rights and Mr. Roy Jenkins' Europa. The SDR would only become attractive if it ceased to be a central banker's "funny money" and could be actually used to buy things such as tinneled salmon, corporate bonds or the services of mercenaries in the African jungle. The Europa would need an outbreak of statesmanship in Europe to come into its own, and more than a little financial and economic skill in its introduction.

In the meanwhile holders of funds will try to diversify into existing national currencies; and we would do well to take with a pinch of salt the cliché about there being nothing other than dollars (or sterlings) to hold the currency movements



other countries behind the U.S. The weakness of this diagnosis is that it focuses entirely on the current account. When the OPEC surplus alone is running at about \$40bn, there would not be the slightest difficulty in financing these sums without large exchange rate changes, given confidence in the dollar. The weakness of the dollar pretty clearly reflects a shift in portfolio preferences. Total overseas dollar assets amount to over \$400bn. The OPEC

right. But it would be self-contradictory for European Governments, who are bemoaning the slow recovery of world demand for their products, to put pressure on the Americans for monetary restraint. It is extremely unrealistic to suppose that slower U.S. monetary growth would strengthen the dollar without in any way retarding U.S. recovery. It is easy to fall back on saying that the Americans should reduce their oil imports and thus reduce the OPEC surplus without restraining their purchases from the rest of the world. But it is extremely doubtful if Congress and President will oblige in this way. If the American authorities are pressed too hard they are more likely to take more protective action against imports rather than either exerting a draconian monetary squeeze or listening to European views on what their room temperatures or petrol consumption ought to be.

After all we were in this situation in 1971 when we had John Connally as Secretary of the Treasury and the import surcharge to force the rest of the world to accept a dollar devaluation. Indeed the Smithsonian devaluation on December 1971 was well below the Administration's minimum aim; and it was only the last minute intervention of Dr. Kissinger that caused President Nixon to call off the battle.

The switch of funds into currencies such as sterling and the mark is largely beneficial for the inhabitants of both the U.K. and Germany. It implies two main things. First that people in other parts of the world are prepared to supply resources to those countries,

whose citizens can therefore consume more for the same level of output. Secondly it has a direct effect in lowering the inflation rate. The best guarantee against the renewed rise in British inflation later in 1978 that so many forecasters fear is a constraint on the mark exchange rate. This is for the Germans to decide. The alternative of trying to control capital inflows would be full of snags both for Germany and the U.K. A new study in the latest Review of World Economics of the Kiel Institute of earlier German controls suggests that although they appeared to reduce capital inflows their impact "was offset through banking flows and variations in leads and lags." In the U.K. there would be the additional absurdity of superimposing inward exchange controls on a complex network of outward ones.

The further liberalisation — and preferably eventual elimination — of U.K. exchange control would not necessarily lead to an upsurge of direct investment as this can already be financed by overseas borrowing. But it would lead to more portfolio investment and a shift of financing to the U.K. The arguments for this course are partly that it would in the medium term create an off-setting flow across the exchanges and help to prevent the real exchange rate from rising too much during the period of the oil surpluses. But the immediate effect of any dramatic move might well be to strengthen confidence and the sterling rate. This would be all to the good, as the U.K. is not exactly like Germany; and if it became so the same monetary and fiscal advice would apply.

## Nothing new

In Germany on the other hand near price stability is not such a revolutionary experience; and there is probably little to gain in terms of business confidence or investment from pressing down harder on prices. Indeed, if this happens, the term "deflation" which has so often and so wrongly been flung about in recent debate might for once begin to apply. But it would be the easiest thing in the world for Germany to prevent the effective rate of

## Should banks pay tax?

From Mr. J. Neumann.  
Sir—The last two weeks of 1977 have seen financial activity in the City's banking parlours by tax advisers and accountants in filing stock appreciation relief (SAR) claims for the U.K. banks and branches of overseas banks. It might be thought that banks do not have any stock (apart from the cheque books) but the claims are based on an attempt to treat foreign currency, bullion, foreign exchange contracts, etc., as coming within the definition of stock for SAR purposes now contained in paragraph 28(1) of Schedule 5 to the Finance Act 1976, that is that such items are "property such as is sold in the ordinary course of the trade." This view has apparently been supported by leading tax counsel so that the claims involved are expected to be an on-off chance of success.

The effect of these claims applied over the years in which SAR has been in force is of major importance — because of the increase in international business the claims if successful would eliminate the taxable profits of the banks for the years in question and produce substantial corporation tax repayments. If SAR continues in its present form in the future the banks will only pay corporation tax on a voluntary basis since it is an easy matter to increase the volume of foreign exchange contracts at the appropriate year end at the cost only of a small commission.

This situation puts the banks, as a group, in the same privileged category as stores (for example Tesco) in being voluntary corporation tax payers. Stores usually pay for their goods after they have been sold but are still able to stock up (at no cost) towards their year end their corporation tax bill is eliminated.

Surely now is the time for the withdrawal of this monstrous relief. The original purpose of the relief was to assist traders over the oil and commodity price explosion. This need is now past. May I suggest therefore that the Chancellor of the Exchequer freeze SAR as it is, to be clawed back over the next five years and gives the resulting tax yield back to the ordinary income tax payer by a general reduction in rates of tax.

J. Neumann  
21 Mincing Lane, E.C3.

## Letters to the Editor

forward at low prices, bulk buying. It is intended that profits obtained from efficient purchasing are to be reduced by a cost of sales adjustment, and if so, is this correct?

The following example shows the result, in traditional accounts and "Hyde" form, of buying forward 4,000 units at £300 per unit in order to beat a £300 unit price increase.

	Traditional Accounts	"Hyde" Accounts
December stock 1,000 @ £100	100	100
Purchase 1,000 @ £130	130	130
December stock 1,000 @ £100	100	100
Cost of sales 7,000 @ £130	910	910
Trade cost of sales adjustment 7,000 @ £20	140	140
Sales 7,000 @ £200	1,400	1,400
Cost of sales 7,000 @ £130	910	910
Overhead cost 200	200	200
Depreciation 200	200	200
Industrious adjustment		
Industrious profit	200	200
Industrious loss		
Cost of sales	20	20
Adjusted pre-tax profit	130	130

1. "Hyde" accounts will almost certainly be taken as the authentic version by the not-accountant. But which accounts reflect company management and performance more correctly? Comparisons such as the above may cause the "Hyde" guide lines to lose their credibility.

T. J. Parkin  
35, Brookside, Wilton Gilbert, Co. Durham.

## A one-off adventure

From Mr. L. Goslin.  
Sir—Dr. A. Henfrey's letter (December 31) expresses Mr. Carter's view on what it really is—a one-off adventure in successful and opportunistic speculation. Successful, because it is based on a singularly fortuitous set of circumstances which is unlikely to repeat itself; that is, astronomically high interest rates coupled with distress selling, short selling, and the savage marking down by jobbers suffering from a cartload of unwanted stock. Result—bargain basement prices for anyone brave enough to buy.

Disorderly markets have little affinity with "efficient market models" or for that matter any other rule-of-thumb principle promulgated by investment managers.

Where are Mr. Carter's ultra-high yields now? His performance during the 1950s was pretty sedate. A system of not much practical value if it can only be operated once in a blue moon. In rational markets high yields have a nasty habit of suddenly becoming non-yielders and sometimes disappearing altogether into limbo. The investors Chronicle has run a high yield portfolio system for years, but it has always prefaced it with the warning never to buy more than £100 of each stock because of the risks involved. With just as much experience as Mr. Carter and with a much wider spread I have found that non-yielders and very low yielders can perform equally as well as some of Mr. Carter's high fliers. Eastern Produce, National Carbondom, Mining Supplies, UFF, Grindlays, W. E. Norton, Wearra, Oil Exploration, Crystallite, Capper-Neill, Tri-control, and many others have done remarkably well over the past 18 months. Anyone with a bit of nerve and some spare cash could easily have outperformed Mr. Carter by buying practically any

## Efficiency of the market

From Mr. R. Glass.  
Sir—Mr. F. C. Baker (December 29) argues that Mr. Carter's success in the Stock Market in no way undermines the validity of the efficient market theory when applied to major market capitalisation stocks. He contends that the leading market stocks are "efficiently priced," and implies that Mr. Carter's success was due to the fact that he purchased "riskier" second-line shares.

Unfortunately, this is not borne out by the facts. Mr. Carter did not confine his purchases to companies with small capitalisations. His purchases included such major companies as Rowntree Macintosh, Midland Bank and Marks and Spencer (how safe can you get). His results therefore suggest that even the shares of major companies do not obey the theory.

## Scrap exchange control

From Mr. W. Platt.  
Sir—If Mr. Smedley (January 3) is advocating a complete dismantling of the exchange control system, then the control of the economy and the exchange rate is handed back to all the people (sic), he must not cry out for help from the "interventionists" when the foreign speculators, or indeed those at home, are manipulating the currency for their own selfish ends. What use is "control of the economy" if there is no economy to control?

## Fiscal fun for all the family

From Dr. S. Cassell.  
Sir—In reply to Samuel Brittan's Lombard article of January 3. As last year, Mr. Brittan provided a piquant and refreshing New Year's present in the way of delicate roasting of sacred cows.

The contemplation of the four main economic modellers—National Institute of Economic and Social Research, Business School, Cambridge Group and Manchester Monetary Group—coming together for a round-robin of history modelling event (= confrontation on demand management) provokes further ideas in this hitherto untapped field of entertainment, or fiscal fun for all the family. I hope he has already secured worldwide stage and film rights of Heinemann's "book of the show" because, if he would care to extract a libretto therefrom, I would gladly play Sullivan to his Gilbert in a trading room full of searing, hissing, rattling, rocky horror musicals: "EFTL" or "Econometrics is For Lafti!"

The Star of the Show would be that crooner with the twinkling feet and syrupy voice, Milton Keynes (purely a stage name) derived to correct impressions, and given in some recent less 25, Diced Avenue, N.W.2.

## Frustration in farming

From Mr. D. Yates.  
Sir—I am sure that most farmers in the U.K. share most of Mr. Hodgson's frustration (December 31), but, possibly less of his indignation. "Wonders of the World" it has surely been clear for months that the Minister of Agriculture has no interest in the viability of domestic farming. He may express some views on food from his own resources, but he means food from our existing resources. Any expansion of output, or increase in productivity, would be an embarrassment within the EEC, and an interference to trade negotiations with Eastern-bloc countries eager for bulk supplies, but without cash to pay for them.

U.K. farming is certainly contracting, and the rate must accelerate. The political view is that an efficient national farm is not required, but of course, you must sell the children. The political mind is brim full of North Sea gas, and it will not be until most of this has been burnt off that asper thinking will return.

In the meantime we shall hear growing claims from the Minister for the Environment for revised priorities for land use. And, the public may want to see the odd field of corn, maybe a corn cow, and certainly a yokel chewing straw, but only as some romantic decorative backdrop to the family picnic. Agricultural land will be required for the national playground—somewhere to go as an alternative to being on strike. And any farmer having ideas of earning anything out of working his land will be frowned upon. Farmers are not supposed to be motivated by profit, such are the preserves of the industrial community, and calculating politician.

## Sources of information

From Mr. L. Deucher.  
Sir—I think I have the answer to Mr. Brittan's comment of December 31st about your less affluent readers. Unlike all the other daily newspapers (and despite the protests of some of your staff), the appeal of the FT is strictly "specialist". This means that having got from the pink paper what they want, instead of taking it home to their wives and friends, your readers tend to discard their copies in the waste bins of stations and public thoroughfares, including Lincoln's Inn Fields, and thence the explanation of how the tramps of Wilmo's observation got their favourite reading matter. Leon Drucker.

## To-day's Events

- Prime Minister in Bangladesh. President Carter in France.
- Mr. Frederick Mulley, Defence Minister, on week's visit to Cairo.
- Mr. Roy Hattersley, Prices Secretary, in U.S.
- Mrs. Shirley Williams, Education Secretary, gives Macmillan Educational Lecture at Association of Science Education meeting, Liverpool University.
- Mrs. Margaret Thatcher, Opposition leader, addresses Conservative Party workers at Skene, West Aberdeenshire, during North-East Scotland tour.
- Sir John Methven, CBI director-general, speaks at his London and South-Eastern Region annual lunch.

## COMPANY RESULTS

- Allied Breweries (full year). S. and W. Berisford (full year). Morkan Crucible Company (third quarter figures).

## COMPANY MEETINGS

- Comet Radiovision, Hull, 12.
- Jessups Holdings, Winchester House, E.C. 12.

## OPERAS

- Royal Opera production of Die Fledermaus, Covent Garden, W.C.2, 7.30 p.m.
- R.A.L.T.

## London Festival Ballet

- The Nutcracker, Royal Festival Hall, S.E.1, 3 p.m. and 7.30 p.m.
- Golf: President's Putter, Rye.
- Tennis: British junior covered court championships, Queen's Club (10.30 a.m.).

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 1, 1966 under which the above described Bonds were issued, First National City Bank (now Citibank, N.A.), as Trustee, has drawn by lot for redemption on February 1, 1978 ("sinking fund redemption date"), through the operation of the sinking fund provided for in the said Indenture, \$1,500,000 principal amount of Bonds of the said issue of the following distinctive numbers:

COUPON BONDS OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING	
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2675	820
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The Bonds specified above, are to be redeemed for the said sinking fund at the W.C.C. Agency Services of the Trustee, 111 Wall Street, 2nd Floor—Bond Windows, in the Borough of Manhattan, The City of New York; or at the main offices of Citibank, N.A. in London (City Office), Amsterdam, Paris, Frankfurt, Milan, Citibank (Belgium) S.A. in Brussels, and Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg in Luxembourg, as the Company's paying agents, and will become due and payable on February 1, 1978 at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Bonds will cease to accrue.

The said Bonds should be presented and surrendered at the offices set forth above on the redemption date with all interest coupons maturing subsequent to the redemption date.

Coupons due February 1, 1978 should be detached and presented for payment in the usual manner.

AVON OVERSEAS CAPITAL CORPORATION  
By: CITIBANK, N.A.  
as Trustee



## MINING NEWS

# A gold boom? Depends where you are

BY CHRISTINE MOIR

**BY KENNETH MARSTON, MINING EDITOR**

Stated profits for Brooks Alarms will be significantly reduced on consolidation as ASH due to ASH's accounting policies for depreciation but Mr. Tom Buffett, chairman of ASH, said yesterday that the intention was not to buy profits but rental income. There will be also considerable benefits from rationalisation. Brooks has 18 branches compared

perhaps little more than £100,000 pre-tax, by 1979 this could rise to over £300,000.

These prospects make the current trading look decidedly historic. At 43p the shares are standing at a p/e of around 8 on pre-tax profits of £1m, employing the same tax charge as at half time. The inevitable conclusion is that Brooks by 1979 could drop this 19, under 6.

However, a further rise in South African gold share prices yesterday was fuelled largely by overseas buyers who do not have to pay the investment dollar premium and who thus obtain a higher dividend yield.

non-premium share prices. A sustained rise in the gold price would provide the answer to this enigma.

An exploration agreement has been negotiated with Mountain States Resources to explore the oil and gas potential of the area.

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BY RAY DAFTER, ENERGY CORRESPONDENT

that at least one more well will be drilled on the structure.

In certain instances Attock's stake will be activated only when Adwest into 14,449 Ordinary shares increasing its Ordinary holding to 557,014 shares (6.51 per cent.).

to acquire the share capital of APG, other than that already owned by it, becoming unconditional in all other respects.

## MONEY MARKET

## Signal on interest rates

**Bank of England Minimum  
Lending Rate 7 per cent.  
(since November 25, 1977)**

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Approximate selling rate for othe  
one-month trade bills \$1-62 per  
House Base Rates (published  
k Rates for small sums at  
s; Average tender rates of dis

Treasury bills 6-81½ per cent.; two-month 5½ per cent.; three-month 5½ per cent.; four-month 5½ per cent.; six-month 5½ per cent.; one-year 5½ per cent.; two-year 6½ per cent.; three-year 6½ per cent.; four-year 6½ per cent.; five-year 6½ per cent.; ten-year 6½ per cent.; thirty-year 6½ per cent. Clearing account 6.2831 per cent.

15 1/2 per cent.; four-month trade bills 7 1/2 per cent.; and three-month 5 1/2-7 1/2 per cent.; and three-month 5 1/2-7 1/2 per cent. 6-month 6 1/2 per cent.

From January 1 1975, Clearing Bank Rates for lending 6 1/2 per cent.

Get to know the secret  
Member

[illegible]

authorities and finance houses seven days' notice, after seven days' fixed. Long-term loan authority marginally three years 58 per cent; four years 61 per cent; five years 10 per cent. Bank bill rates in buying rates for prime paper. Treasury rate for four-month bank bills 23.2-23.5 per cent; four-month trade bills 7.5-8.5 per cent. Bank selling rate for one-month Treasury bills 6.41 per cent; two-month 3.5-3.5 per cent; and three-month 3.5-3.5 per cent. Approximate selling rate for one-month bank bills 6.5-6.5 per cent; two-month 6.41 per cent; and three-month 3.5-3.5 per cent. Approximate trade bills 8.4-8.4 per cent; two-month 6.5 per cent; and also three-month 6.5 per cent. House Rate Rates (published by the Finance House Association) 6 per cent, from January 1 1972. Clearing Bank Rates for London 6-6.5 per cent. Average tender rates for discount 6.2-6.2 per cent.



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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Sandoz shows improvement

BY JOHN WICKS

ZURICH, Jan. 4

Turnover of the Swiss Sandoz currency producer countries rose by some 7 per cent. in 1977 over the previous year's total of Sw.Frs.4.11bn. This is stated in a letter to shareholders from board chairman Yves Dunant. The anticipated growth is better than the 4 per cent. increase recorded for 1976 but still well behind the expansion rates booked in the 1960s and the early 1970s.

A similar development is forecast for profits, which last year were higher for the chemical group than the Sw.Frs.1.46bn. shown in 1976 but which grew at a rate slower than in earlier years.

With regard to the various activities of the Sandoz group, the pharmaceutical division booked a rise of about 7 per cent in its turnover from the 1976 figure of Sw.Frs.2.13bn. This was achieved primarily from sales in national markets where prices could be adjusted to compensate to some extent for inflation. Prices in some major markets however, remained frozen. Despite problems facing the pharmaceutical industry worldwide, Sandoz expects a "bright future," partly in view of successes in research and development.

Owing to fierce competition, the dyestuffs division fell about 2 per cent short of its 1976 turnover of Sw.Frs.1.14bn. Harder market conditions, brought about in part by companies in weak-

ZURICH, Jan. 4

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## AMERICAN NEWS

## ASE options findings due

BY STEWART FLEMING

NEW YORK, Jan. 4

A NEW YORK State Grand Jury is expected later this week to indict as many as 20 members of the American Stock Exchange (ASE), following investigations of alleged abuses of option trading.

Last year 38 members of the ASE were disciplined by the Exchange itself following its own investigation of allegedly false reporting of option transactions during 1975 and early 1976.

Some of those disciplined received fines and suspensions. They had defended their actions on the grounds that reporting the non-existent trades merely allowed the prices of the options to be brought into line with the prices of the underlying stocks.

Continued pursuit of the options scandal by law enforcement officials is producing bitterness among Exchange members who feel that the sanctions already imposed are sufficient.

Late last year, in the wake of its own investigations into options trading not only in New

York but also in Chicago and on other U.S. exchanges, the U.S. Securities and Exchange Commission put a ban on new developments of options markets.

The SEC has been increasingly concerned about the potential for abuse of options trading and is carrying out a thorough examination of trading and of the regulations before allowing further expansion of options markets.

3M postpones \$500m.

industrial complex

MINNESOTA MINING and Manufacturing Company said its plans for a \$500m industrial complex east of the company's headquarters will be postponed until at least 1988, reports Reuter from Minneapolis.

The company said plans for the 583-acre development, known as Carlton Park, were announced in 1974 and construction was to have begun in 1977.

Carlton Park was to be an expansion of 3M's research and

office space, taking 15 years to fully develop, it said.

The company added that its present complex—3M Center—is adequate to handle its needs through to 1985.

Old newsprint mill

for special steels

A FRENCH private company, Societe des Forges et Rives de Giers, will have a 60 per cent. interest in a new company, Forges HPC Ltd., which will make special forged steels used in oxygen tanks and other pressure-carrying cylinders in part of the old Consolidated Bathurst Ltd. newsprint mill at Cap de la Madeleine, near Trois Rivières, Que., 50 miles north-east of Montreal, reports Robert Gibbons from Montreal. Investment will be \$C10m.

A 30 per cent. interest will be held by Consolidated-Bathurst, part of the Power Corporation of Canada group, and the balance by unidentified interests.

## Irish Distillers whiskey deal

BY GILES MERRITT

DUBLIN, Jan. 4

IRISH DISTILLERS to-day set the seal on its domination of all spirits production throughout Ireland with an announcement that it is to buy for £12m. the outstanding 20 per cent. stake in the "Old Bushmills" Distillery company that is held at present by Seagrams.

The Irish Distillers Group will therefore become the undiluted owner of an Ulster whiskey that is not only one of Ireland's premier brands but also claims to be the world's oldest commercial distillery, founded in 1608. For Bushmills is a name that fairly reeks of Irish history;

the distillery is located near the Giant's Causeway on the ancient road that once led to Royal Tara, the home of Ireland's Celtic kings, and the whiskey's own distinctive peaty taste comes from the water of St. Columba's well.

The deal is being described by Irish Distillers as "a tidying up operation" in that it was thought anomalous for Seagrams to hold a minority stake in Bushmills when it also holds a 20 per cent. interest in the whole Irish Distillers Group. It has been suggested, though, that Seagrams may have proposed the rationalisation in order to realise £12m.

The Group's last full year, ended September 30, 1977, showed a 62 per cent. increase in pre-tax profits to £3.38m. and net borrowings as a percentage of shareholders' funds were reduced to 23.4 per cent. from a 1976-77 level of over 90 per cent.

## Renault sees turnover rise of 9%

PARIS, Jan. 4

TURNOVER of the Renault group in 1977, including motor vehicles, machine-tools, farm equipment and engineering is expected to show a growth of 9 per cent., the company said. For 1976, the group's turnover was a record Frs.44.6bn.

Renault's world-wide production of private cars and commercial vehicles increased 5.10 per cent. last year to 1,745m. units, which, together with 54,000 trucks, corresponding to 43 per cent. of French motor vehicle

output. Truck output was down by 15 per cent.

The company sold 1m. vehicles abroad, and retained the first place as the biggest importer in West Germany and Italy, it said, without giving figures. Sales in Switzerland and Austria rose 17 per cent. and 7 per cent. respectively.

Sales of the Renault-5 model, recently introduced in the U.S., amounted to 15,000 units. Assembly of Renault vehicles abroad—in Turkey, Iran, Colom-

bia, Yugoslavia, Argentina, Romania and Spain—increased by 15 per cent. last year.

The machine-tool division went through a difficult year, Renault said, but remarked that contracts valued at Frs.240m. with the Soviet Union were signed last year.

Renault exported 35.4 per cent. of its production of farm tractors, up from 22.4 per cent. in 1976. The main clients were West Germany, Holland, Yemen and Vietnam.

## Wells Fargo runs down Luxembourg office

By Mary Campbell

WELLS FARGO is to move a large part of the operations it has hitherto done out of its Luxembourg branch to London. The main activities being moved are money market operations. The Luxembourg branch will be maintained as a service branch for the Benelux region rather than as Wells Fargo's chief European commercial banking arm, as it has been hitherto.

Announcing the move, Mr. E. Alan Holroyd, the new head of Wells Fargo's European division, said that "the relative cost of employee compensation was a determining factor between Luxembourg and London."

The Luxembourg branch was set up in 1969 as Wells Fargo's first major venture in the European market. The operations will be shifted to Wells Fargo Ltd. in London, a merchant banking subsidiary which was established in 1972.

In addition to this subsidiary Wells Fargo is in the process of setting up a branch in London. This does not yet have authorisation to do foreign exchange business from the Bank of England.

The initial impact of the change will be felt mainly in the money markets since the Luxembourg branch will stop trading.

Meanwhile Bank of America has detailed its plans to merge its two Luxembourg subsidiaries, Bank of America SA Luxembourg and Bank of America International SA Luxembourg. Subject to shareholders' approval at a meeting due to take place on January 20, the latter is taking over the operations of the former.

The merger is a tidying up operation being carried out as part of Bank of America's rationalisation of its European national merchant banking activities. The bank is in the position of owning two separate Luxembourg subsidiaries because of A. International was originally a joint venture with Kleinwort Benson and Banque de Paris.

Bank of America bought out its two partners in 1976.

Deficit foreseen at Au Printemps

AT AU PRINTemps SA, the major retailer, will record another deficit for 1977, but 1978 should be a more favourable year, company president Jean Vigneron told a shareholder meeting. The company made a loss of Frs.23m. in 1976, and a loss of Frs.23m. in 1975.

Agency

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Agency

## Danish currency rules eased

BY HILARY BARNES

COPENHAGEN, Jan. 4

DENMARK HAS partially liberalised portfolio investment by Danish residents abroad, but the liberalisation is enough to open a substantial gap in the official defences against short-term foreign exchange speculation.

The liberalisation was introduced in order to meet the requirements of Denmark's EEC membership. One of the terms of accession was that Denmark should liberalise indirect investment by Danes abroad from 1978. Portfolio investment by foreigners in Denmark was liberalised on accession in 1973. The new regulations only allow Danes to invest in a limited selection of paper. These are bonds issued by a specified list of international organisations, which include the EEC and its institutions, the Asian Development Bank, the Inter-American Development Bank, the Nordic Investment Bank, the European Council, and the World Bank.

Danes may only invest in paper with an original maturity of at least two years.

Banks believe that the market in this type of security is so large

that Danish companies and individuals will be able to use the market as a means of ensuring that the liberalisation is enough to open a substantial gap in the official defences against short-term foreign exchange speculation.

The premium on forward buying can at times rise to about 50 per cent., and is currently at between 18 and 20 per cent. on German marks and Swiss francs.

The measure also means that companies can get round the current limits in the foreign exchange regulations on delaying or bringing forward payments to and from abroad for commodity transactions. These regulations have proved an effective defence against runs on the krona since they were introduced in 1969.

In December the official gold and foreign exchange reserves plunged by Kr.3.5bn. to Kr.9.3bn. as a result of substantial private capital outflows. The Central Bank announced. An official borrowing contributed Kr.1.1bn. to the reserves, the outflow was even larger than the actual figures indicate.

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## ANIC may cut capital

MILAN, Jan. 4

ANIC SPA, Italy's State-controlled petrochemical group, has scheduled an extraordinary meeting of shareholders for February 10 to consider a possible cut in its registered capital as a result of a severe 1977 balance loss, reliable sources reported.

ANIC sources said the company loss in the January-September period of 1977 was L99bn., and was thus expected to exceed 50 per cent. of registered capital by the end of the year, making a capital reduction compulsory, AP-DJ writes.

In 1976 ANIC, which is controlled by Ente Nazionale Idrocarburi (ENI), the State energy group, had posted a loss of L108bn., later reduced to L44bn. after use of reserve funds.

Sources also reported that ANIC sales in the nine-month period last year amounted to L575bn. against a total of L773bn. for 1976.

At the end of September financial burdens of ANIC, from borrowed money, amounted to L54bn., sources added.

## Mitsui Eurobond plan

FINANCIAL TIMES REPORTER

HAMBROS Bank has agreed to sell 10 per cent. of Hambro Mitsui, an underwriter of international bond issues, to its partner in the firm, Japan's Mitsui Bank. Mitsui's share will thus increase to 60 per cent. and Hambros' will fall to 40 per cent.

On completion the company will change its name to Mitsui Finance Europe. The move reflects the fact that the firm is and will be Mitsui's sole path to participation in Eurobond underwriting, while Hambros underwrites in its own right.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



## AFRICAN DEVELOPMENT BANK

U.S. \$125,000,000

Long-Term Credit Facility

MANAGED BY

Chase Manhattan Limited

The Long-Term Credit Bank of Japan, Limited

Compagnie Luxembourgeoise de la Dresdner Bank AG - Dresdner Bank International -

Midland Bank Limited

CO-MANAGED BY

The Tokai Bank, Limited

First National Boston Limited

Banque Worms

Provincial Bank of Canada (International) Limited

The Chase Manhattan Bank, N.A.  
Standard Chartered Bank Limited  
Midland Bank Limited  
The Tokai Bank, Limited  
Crédit Commercial de France  
Banque Européenne de Tokyo  
Banque Intercontinentale Arabs  
DG BANK Deutsche Genossenschaftsbank  
The Industrial Bank of Kuwait, K.S.C.  
Banque Worms  
The Fuji Bank, Limited  
Williams & Glyn's Bank Limited  
Banque Internationale pour l'Afrique Occidentale (BIAO)  
The Mitsui Bank, Limited  
Amex Bank Limited  
Associated Japanese Bank (International) Limited  
The Sumitomo Trust and Banking Co., Ltd.  
Union Méditerranéenne de Banques

AGENT BANK

The Chase Manhattan Bank, N.A.

15 DECEMBER 1977

## GERMAN BONDS

## Federal Railways starts the queue

BY JEFFREY BROWN

BOND MARKETS in Germany continue to surge upwards, prompting an early start—by the Federal Railways—to what promises to be a substantial queue for domestic new issues in 1978.

The first local

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Cuming Smith control sought by Wesfarmers

BY JAMES FORTH

WESTAUSTRALIAN FARMERS' Co-operative (Wesfarmers) has entered the contest for control of Cuming Smith. The co-operative has begun buying Cuming Smith shares on the market in an apparent attempt to thwart a takeover by the industrial group, Howard Smith.

Wesfarmers focused attention on Cuming Smith in November when it made a \$480,000 offer to buy fertiliser manufacturer CSBP and Farmers, which is owned as to one third each by Cuming Smith, British Petroleum Company of Australia and West Australian Superphosphates, which is close to the co-operative.

The CSBP holding is Cuming Smith's major asset. Its only large asset is a holding of 5m. shares in the Australian firm, worth about \$410.8m. Cuming Smith directors subsequently rejected the Wesfarmers offer for its CSBP stake as inadequate.

but in the meantime corporate takeover specialist Industrial Equity Ltd. announced a cash offer of \$2.00 a share. This has been topped by the Howard Smith offer of \$2.45 cash a share or five Howard Smith shares plus 36c cash for every six Cuming Smith shares, valued at \$2.60 on current market prices.

Wesfarmers today moved into the marketplace through a Melbourne sharebroker, and bought a parcel of 366,217 Cuming Smith shares at \$2.45. The broker said it had bought the firm held an order to acquire a total of 3.64m. shares, or 28 per cent. of the capital up to \$2.45 a share. The bid is similar to several recent market manoeuvres which have enabled Cuming Smith to obtain a large number of shares from minority holders locked in, unable to obtain equality of opportunity. These operations

## Afrox takes cautious view

By Richard Roffe

JOHANNESBURG, Jan. 4. AFRICAN OXYGEN, which is 60 per cent-owned by BOC International, says in its annual report that though it has experienced "marginally improved trading" from August onwards, it is difficult to forecast any meaningful growth in the current year. In the year to September 30, the group achieved a rise of R17m. in pre-tax profit to R17.4m. on a decline of R10m. in turnover to R132m.

Though a profits split is not provided, the Afrrox subsidiary engaged in the manufacture and distribution of gases and welding equipment, accounted for R71m. of the total turnover, and Bowson and Dobson, the mining machinery subsidiary, for R59m. with the balance coming from small industrial catering interests.

The major problem area has been Silcon Smelters, the R20m. operation in the Northern Transvaal which is intensive and has been hit by rising electricity costs as well as weak markets. Losses amounted to R3m. during the year with one-third distributable to African Oxygen. One of the three smelters has been shut down since the BOC is obviously concerned about the level of losses being incurred in the operation in which one of the other partners is Alcan.

Group liquidity has improved with stocks and debtors declining again for the third successive year. End balances amount to about R7m. attributed to the effects of "concessional liquidity".

## JAPANESE STEELMAKING

## Nippon Kokan builds an island

BY CHARLES SMITH IN TOKYO

IF YOU LEAVE Tokyo's international airport in a plane which flies east over Chiba prefecture, as many do before turning south to Hong Kong, you may see a huge white gash in the mountains below, linked by two conveyor belts to jetties several miles out in the shallow waters of Tokyo Bay. The gash was made by excavating sand—80m. cubic metres of it—to build an artificial island, 50 kilometres away on the far side of the Bay, not far from the airport itself. The island, named Ohgishima, or "fan island" after a fan-shaped breakwater which it replaced, is the home of a 6m-ton integrated steel complex being built by Japan's number-two steelmaker, Nippon Kokan.

Nippon Kokan (NKK), and all the other big five Japanese steelmakers, have been building their plants on artificially reclaimed land, with deepwater access for ocean-going bulk carriers, ever since the supply of natural sites with this kind of access ran out soon after the end of World War II. Ohgishima, however, is the first example of a steel plant being located on an island built for the purpose. Ohgishima took three years, and cost \$500m. to build, and is not exactly cheap for site preparation. The ultra-modern steel complex which stands on it will have cost at least another \$2.5bn. by the time it reaches full operational capacity at the end of 1979.

Nippon Kokan decided to build an island after it was faced with the need to close down its steel making operations at Keihin, on the west coast of Tokyo Bay, some 30 kilometres south of the capital. The Keihin plant, which was opened early this century, had become hopelessly uneconomic by the late 'sixties because its various sections were scattered about a heavily populated suburban area—which was also being badly polluted by the steel plant.

Nippon Kokan could have bought land in northern Japan for a new plant, to replace Keihin or (as some other Japanese steel companies have done) gone abroad to a country like Canada or Brazil, where a steel plant could be located near a raw material source. It chose to stay at home because 20,000 workers were directly or indirectly dependent on its Tokyo plant, and also because the plant was conveniently located bang in the middle of Japan's main industrial area (which is also probably one of the world's most concentrated markets for steel).

Ordinary land reclamation, however, was ruled out by the division and joined under water after being lowered as separate units. The road link carries finished products from Ohgishima to customers in the immediate area of the plant. The bulk of Ohgishima's output, however, and all its input of raw materials are moved by sea. Coal and ore carriers from Australia and Brazil dock at one end of the island, at berths than can accommodate bulk carriers of up to 220,000 dead weight tons. Finished products leave from the opposite end after emerging from a straight line production process that, according to Nippon Kokan, represents the ultimate in steel plant layout.

The first of Ohgishima's two blast furnaces, which will produce 3m. tons per year giant blast furnaces was put into operation in November 1976, simultaneously with the closing down of six smaller blast furnaces on the mainland (the oldest of which had been in use since 1935). The second blast furnace, bringing production capacity up to 6m. tons, will open in 1979 or early 1980. At this rate Ohgishima is not, and will not be, a record breaker in terms of sheer size. Even after completion, its capacity will be less than half that of Nippon Kokan's 14m. ton Fukuyama plant on the inland Sea 300 miles south west of Tokyo. However, NKK does claim to have put into Ohgishima every one of the latest technological refinements known to Japanese steelmaking—plus a few more that it developed for itself.

A special feature at Ohgishima, which is proudly shown off to visitors, is the hitherto untried dry-quenching system for coke which was developed from a previous original discovery in the Soviet Union and cut out most of the fumes produced by the normal process. Another feature is the total computerisation of all aspects of the Ohgishima operation. As one part of this production is geared to on-line marketing data fed in from the Nippon Kokan head office in Tokyo there is no need for warehouses on the island to store finished products.

Nippon Kokan says that Ohgishima is several times cleaner (in terms of hourly NOx and SOx emissions) than the old Keihin works which preceded it. In order to get to that point the company had to spend approximately ¥100bn. (\$400m.), or about 20 per cent. of its initial investment in the steel complex as such, on a wide range of pollution control devices. These include roofing in of all conveyor belts, the installation of massive dust collectors and, of course, the computerised monitoring of air pollution.

To the obvious question: was it really worth it? the company emphatically replies yes. With all the extras involved, construction costs at Ohgishima are claimed still to have been less than they would probably be today at a greenfield site in Canada or Brazil (where initial investment would have had to include the building of port facilities and perhaps railways and even power stations).

Ohgishima's initial construction cost works out at ¥150,000 per ton of capacity, compared with ¥230,000 (estimated) for a plant which Kawasaki Steel Corporation has been planning in Brazil and ¥300,000 (again an estimate) for a new plant currently under construction in southern France. At this rate, Nippon Kokan thinks it has a bargain—rather than it will have one if and when the Japanese steel industry gets back to normal operating levels.

## Bid to revive Singapore options

BY ANTHONY ROWLEY

THE STOCK Exchange here has begun issuing options at striking or exercise prices 15 per cent. below the prevailing market price at the time the option is issued.

This device, known as creating "in the money" options, is aimed at reviving the market in traded stock options introduced last February by the Stock Exchange after studies of similar markets in North America and in Australia.

After an initial flurry of activity, trading dwindled to almost negligible proportions, and the Stock Exchange indicated recently that the pilot scheme might be scrapped. Quiet option trading has, however, been restricted to conditions in equity trading here over the past year.

With striking prices now pitched below market prices, option premiums are higher but the higher intrinsic value of the option is designed to provide greater attractions for both buyers and sellers (writers) of options. Sixteen securities, including Sime Darby Holdings, are subject to option trading here.

EL AL orders more aircraft

EL AL ISRAEL Airlines has ordered, to be available in August 1978, reports L. Daniel from Tel Aviv.

At present El Al has five Airbus A300-600s and will take delivery of six in mid-June of this year.

conditions very similar to a recent Hungarian operation. The syndication on this occasion, however, appears to be restricted to Middle East and Far East banks plus a select group of four Japanese co-managers. Abu Dhabi Investment Company is lead manager.

Gulf Air of the Middle East is approaching the markets for the first time for a \$400m. seven-year loan. Gulf International Bank is leading the operation.

The Yugoslav Investment Bank meanwhile is raising \$10m. from United California Bank for five and a-half years. The proceeds are earmarked to develop the chemical industry.

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## SELECTED EURO-DOLLAR BOND PRICES

### MID-DAY INDICATIONS

STK Fp 1987	Mid	Offer
Sweden 4 1/2% 1987	98 1/2	97 1/2
United States 4 1/2% 1987	98 1/2	98 1/2
Votco 4 1/2% 1987	98 1/2	98 1/2
STERLING BONDS		
Barclays Bank 7 1/2% 1984	98 1/2	97 1/2
Bell Canada 7 1/2% 1987	98 1/2	97 1/2
Bp. Columbia 8 1/2% 7 1/2% 28	98 1/2	97 1/2
Canada 7 1/2% 1984	98 1/2	97 1/2
Dow Chemical 8 1/2% 1986	100 1/2	101 1/2
ECB 7 1/2% 1982	97 1/2	96 1/2
ECB 7 1/2% 1984	97 1/2	96 1/2
ECB 7 1/2% 1986	97 1/2	96 1/2
ECB 7 1/2% 1988	97 1/2	96 1/2
ECB 7 1/2% 1990	97 1/2	96 1/2
ECB 7 1/2% 1992	97 1/2	96 1/2
ECB 7 1/2% 1994	97 1/2	96 1/2
ECB 7 1/2% 1996	97 1/2	96 1/2
ECB 7 1/2% 1998	97 1/2	96 1/2
ECB 7 1/2% 2000	97 1/2	96 1/2
ECB 7 1/2% 2002	97 1/2	96 1/2
ECB 7 1/2% 2004	97 1/2	96 1/2
ECB 7 1/2% 2006	97 1/2	96 1/2
ECB 7 1/2% 2008	97 1/2	96 1/2
ECB 7 1/2% 2010	97 1/2	96 1/2
ECB 7 1/2% 2012	97 1/2	96 1/2
ECB 7 1/2% 2014	97 1/2	96 1/2
ECB 7 1/2% 2016	97 1/2	96 1/2
ECB 7 1/2% 2018	97 1/2	96 1/2
ECB 7 1/2% 2020	97 1/2	96 1/2
ECB 7 1/2% 2022	97 1/2	96 1/2
ECB 7 1/2% 2024	97 1/2	96 1/2
ECB 7 1/2% 2026	97 1/2	96 1/2
ECB 7 1/2% 2028	97 1/2	96 1/2
ECB 7 1/2% 2030	97 1/2	96 1/2
ECB 7 1/2% 2032	97 1/2	96 1/2
ECB 7 1/2% 2034	97 1/2	96 1/2
ECB 7 1/2% 2036	97 1/2	96 1/2
ECB 7 1/2% 2038	97 1/2	96 1/2
ECB 7 1/2% 2040	97 1/2	96 1/2
ECB 7 1/2% 2042	97 1/2	96 1/2
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## THE JOBS COLUMN

## Personnel profession's proposals for recruitment code

BY MICHAEL DIXON

THERE could hardly be a better start to this column's sixth successive year than good news about one of its ideas which, when proposed last spring, drew messages of support from well over 100 readers. The proposal was for a basic code of recruitment practice to reduce the evidently large weight of ill-feeling between those who offer jobs and those who apply for them.

During the past months the Institute of Personnel Management has been pondering the idea and has now produced its draft proposals for the code, which it is keen to set about establishing as soon as possible.

Naturally I am anxious that people interested in the employment market, whether as applicants or recruiters, should have a chance to comment on the draft before any further moves are made. So I am now going to quote it verbatim:

"THE CODE sets out what the Institute believes represents current good practice. Organisations who observe the Code will do so to promote good relations between themselves and the people who apply for the jobs they offer.

**Recruiters' obligations**

1.—Job advertisements will state clearly the form of reply desired. For example, curriculum vitae, completed application form and any preference for manuscript or typescript.

2.—Each application will be acknowledged. Where consultants are acting mainly as forwarding agents for companies, the parties will agree who will acknowledge applications.

3.—Candidates will be kept informed of the progress of applications and will be informed of the form of the selection procedure, the likely time involved and the policy regarding expenses.

4.—Detailed personal information (for example, religion, medical history, place of birth, family background, etc.) will be called for at the later stages of selection if it is relevant to the job.

5.—References from current employers will be requested only if the candidate has agreed or an offer of employment subject to a satisfactory reference has been made and accepted.

6.—Candidates' applications will be treated as confidential.

**Candidates' obligations**

1.—Responses to advertisements will be as requested, for example, telephone for an appli-

cation form, provide brief relevant details, send a curriculum vitae, etc.

2.—Appointments and other arrangements will be kept or the recruiter informed promptly when candidates discover an agreed meeting cannot take place.

3.—Recruiters will be informed as soon as candidates decide not to proceed with an application.

4.—Only accurate information will be given in applications and in replies to recruiters' questions.

5.—Information given by a prospective employer will be treated as confidential if requested.

**Comments**

There, then, is the Institute of Personnel Management's version of the code. Since it is only a draft, amendments intended purely to tidy up the wording can safely be left until later, and I would be grateful if readers would confine their comments at this stage to matters of substance.

From my point of view, although the institute's draft touches on all of the topics covered by the Jobs Column's version (printed on July 14), there are one or two points

which seem in need of clarification.

Take for example the fourth of the IPM's recruiters' obligations, stating that detailed personal information "will be requested if it is relevant to the job." This would represent a definite advance on the not uncommon practice of loading even initial application forms with inquiries into what are essentially candidates' private affairs.

But it nevertheless glosses over a worry stressed by many of the readers who responded to this column's original discussion of the code.

The worry is that when suddenly asked for personal details a lot of job-applicants feel themselves placed in a dilemma. On the one hand, they have an eminently reasonable resistance to answering a question about their private affairs unless they have first been shown how the question is justified. On the other hand, they feel that if they ask for justification before answering, the recruiter may well view their attitude as evasive and so reject them.

Whether or not the recruiter actually would do so, is beside the point. The important thing is that many applicants suspect that the recruiter might. And

if the code of practice is to reduce suspicion between the two parties to the transaction, then the code surely needs to make clear that recruiters recognise that it is only reasonable for applicants to withhold personal information until they have received an explanation of why it is wanted.

No such recognition is given by the institute's clause. Indeed, its wording implies that, at some "later" stage of the process of selection, a recruiter is perfectly justified in asking for private information provided that the recruiter considers it relevant to the job.

With all due respect to the IPM, I still feel that the acknowledgment of the applicants' right to demur before answering, is more important to the objects of the code than is the stage—whether early or late in the process—at which the personal question is asked. So I would like to see clause four of the employer's obligations restated on the following lines:

"Candidates will not be expected to supply detailed information on personal matters such as religion, medical history, place of birth, and family background, unless they have first been given an explanation of how the details are relevant to the job."

The only other amendment of substance which I currently think necessary in the institute's version, is intended to avoid placing applicants in the same dilemma. As things stand, there seems to be a distinct risk of this in the IPM's clause five of the employers' obligations: "References from current employers will be requested only if the candidate has agreed or an offer of employment subject to a satisfactory reference has been made and accepted."

**Misses point**

At present, the institute's wording evidently means that the references "will be requested from the current employer only if the candidate agrees."

On this interpretation, it seems to me that to take the IPM's version would be a risk like that unnecessarily against the spirit of the proposed code of practice, one of whose major objects is to establish relations between the parties on a more open footing.

So it seems to me best to put the issue beyond doubt, which being asked by the recruiter would not need more than a bit of re-wording of the IPM's object to the making of such clause, for example: "Candidates will not be asked for permission to approach their current employer for a reference unless they have volunteered specific approval, or

an offer of employment subject only to the receipt of such a reference has been made and accepted."

That completes my list of the substantial amendments to be argued with the IPM. Readers who have a case to make for other changes or for additional clauses to either the employers' or the candidates' side of the code would oblige me by sending them in quickly, because the sooner the IPM can agree its final shape and start promoting its widespread acceptance among employing organisations and recruitment consultants, the better.

There is little point, however, in anyone's writing to repeat the objections that the proposed code smacks of more bureaucratic intervention in the working of employment markets, and that since it has no "teeth," it will anyway be ineffectual.

From the outset, the purpose of the code has been to civilise, not to dictate. True, it consists of little more than a list of basic courtesies which, in unwritten form, have long been observed by many people. But by briefly spelling them out, the code must surely have a fair chance of getting them practised by a lot of other folk — both recruiters and applicants — who have evidently forgotten them.

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The Chief Accountant will be responsible to the Finance Director and will have functional responsibility for the financial control both of the parent company and the trading divisions and will have direct control of a staff of about fifteen.

The successful candidate, who will probably be aged between 35 and 45, will have:-

- ☐ A recognised accountancy qualification.
- ☐ Experience in a similar industry at senior level.
- ☐ Considerable experience of costing with particular reference to stock control and related problems.

A knowledge of data processing is desirable but not essential.

The salary for this career appointment will be in the region of £10,000 p.a. and a company car will be provided. Other benefits will include a non-contributory pension scheme and a generous relocation allowance, if required.

Applicants should apply in confidence giving brief career details and quoting reference number FT/28/F, to:-



Turquand, Youngs & Layton-Bennett,  
Management Consultants,  
11 Doughty Street, London, WC1N 2PL

## Experienced Investment Analyst

A major UK pension fund requires an experienced investment analyst to join an existing team. The successful candidate will be responsible for representing the fund in meetings with managements as well as preparing written reviews on the fund's holdings in particular sectors.

Candidates should have a professional qualification, or a degree, and at least 2 years' relevant experience in the research department of a stockbroker's office or an institutional investment department.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1752.

This appointment is open to men and women.

**ASL CONFIDENTIAL RECRUITMENT** 17 STRATTON STREET LONDON W1X 6DB  
A member of MSL Group International

## Head of Finance and Administration

Middle East from £15,000 tax free plus benefits

Our client is a large, well established British organisation whose international activities include trading, manufacturing and management services in developing countries.

An assistant manager is required to take full responsibility for the finance, administration and personnel functions of one of the major activities in the Middle East.

This is a senior position, reporting to the local general manager, and requires qualities of strong leadership combined with tact. The successful applicant will have to control a large staff, composed of both local and expatriate personnel, and to liaise successfully with local senior officials. He will be an important member of the management team.

Candidates, preferably aged between 35 and 45, should possess a recognised accounting qualification and must have had several years' experience in a senior finance/administration role in a large, well managed, enterprise.

Apart from a negotiable tax free salary, the attractive package includes free accommodation and food, a car, life and health insurance, terminal bonus and generous leave arrangements.

Write in confidence, quoting reference 1929/L, to E. M. Neil,

Peat, Marwick, Mitchell & Co.,  
Management Consultants,  
11 Ironmonger Lane,  
London, EC2V 8AX.

## New Year Career Opportunities for Young Bankers

£3,000 — £6,000

The 1978 corporate development plans of a number of our International Bank clients are now under way and give rise to career opportunities in a variety of specialist activities for ambitious young bankers with appropriate skills.

Some emphasis is clearly placed on:-

Euro-currency Credit Analysis  
International Bank Accounting  
Documentary Credits  
Foreign Exchange "Back-up"  
Loans Administration

with a very wide range of specification in terms of age, level of experience, salary, etc.

To discuss these possibilities in the context of your own career objectives—in confidence, of course—please telephone either John Chiverton, A.L.B. or Trevor Williams on 405 7711.

David White Associates Ltd.  
Hampden House, 84, Kingsway, London, W.C.2

APPOINTMENTS  
ADVERTISEMENT RATE  
£14 PER SINGLE  
COLUMN CENTIMETRE

## Group Tax Adviser

City of London

from £10,000

Booker McConnell Ltd. is a public company with over 100 subsidiary companies in the U.K. and abroad with a current turnover of around £550 million and with 18,000 employees in activities ranging from food distribution to engineering.

Management is exercised through a divisional structure with a parent-company staff small enough to be effective and speedy in decision. A retirement from this team later this year requires the recruitment now of someone who, in conjunction with outside specialists, will advise the company and its subsidiaries on all aspects of taxation related to groups of companies. He or she will also assist with the preparation of group consolidated accounts, budgets and forward plans.

The successful candidate, who may be in industry or professional practice, will be a qualified accountant, probably over 30, with current knowledge of U.K. tax legislation. Benefits and working environment are excellent.

For further information and a personal history form contact R. J. Mooney, reference T.834/FT.

AMS

Arthur Young Management Services,  
Rolls House, 7 Rolls Buildings, Fetter Lane,  
London EC4A 1NL. Tel. 01-831 7130, extn. 444.

## Manager, Employee Communications

London to £15,000 plus car

Our client, with 35,000 employees and operating in some 80 markets, wishes to appoint a person within international headquarters to develop the employee information/communications function. This new appointment recognises the movement in industry towards employee participation and the growing complexities of providing employees with a proper level of financial, social and other relevant information in this context. Responsibilities will include the preparation of information on company-wide issues for written or oral transmission; economic education programmes; training of managers in communication processes and the development of employee reporting capabilities within both international and national operating units. Candidates must have a thorough appreciation of European industrial relations legislation, a sensitivity to political and trade union activities and motivations, experience in using communications media and a well-developed talent for writing.

H. W. FitzHugh, Ref: 20071/FT

Male or female candidates should send a written C.V. immediately to:  
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ

**Hoggett Bowers**  
Executive Selection Consultants

BIRMINGHAM, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

CJ

RECRUITMENT ADVERTISING

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374

EUROMONEY

INTERNATIONAL FINANCIAL  
ADVERTISEMENT SALES EXECUTIVE

CITY - FAST DEVELOPING AND LEADING ECONOMIC AND FINANCIAL MONTHLY MAGAZINE £6,000+ WITH WORLD-WIDE CIRCULATION

This vacancy is due to internal promotion. It calls for a sales executive, aged 25 plus, with a proven sales record which will have been gained either with a publishing house, or within a city environment. The prime responsibility will be to sell advertising space on the telephone as well as face to face. Besides the fundamental ability to sell successfully, personal qualities will include common sense, a quick wit, mental tenacity, coupled with an excellent telephone sales approach and a good command of the English language. French and German would be an asset. Above-average initial remuneration by way of basic salary and commission. Apply in writing or telephone: Christopher Lee, Advertisement Manager, Euromoney Publications Limited, 20 Tudor Street, London EC4Y 0JS. 01-353 0841/01-606 1234.

Oil Company seeks for its U.K. lubricant subsidiary

## MANAGER, SALES AND MARKETING

The ideal applicant will be between thirty and fifty, having considerable Marketing/Sales experience in the lubricating oil business in the U.K., preferably with a major company. The post demands a typical extrovert sales personality, able to motivate a field force leading from the front. This will be combined with the supervision and administrative capability to organise and manage the overall marketing operation, formulating plans and controlling budgets. This is an executive position, reporting to the Managing Director, and the ability to function efficiently at a high level is required. A working knowledge of the French language would be desirable.

The successful candidate will be required to be domiciled near to London, and assistance with relocation costs will be considered. The job necessitates some travel throughout the U.K.

Salary will be commensurate with age and experience, but in any event will be not less than £8,500 p.a. Other benefits are in line with industry practice.

Those interested should write in complete confidence, enclosing an up-to-date curriculum vitae, to: Mr. A. G. Tomlinson, Elf Petroleum (G.B.) Ltd., 197 Knightsbridge, London SW7 1RZ.

## Bank Economist

A City-based international banking group has a vacancy for an economist, male or female, with at least four years' experience in commercial, financial or other relevant employment since graduation.

The post offered is in the Economic Department and concerned with a wide range of subjects including international monetary matters, developing countries in which the group operates, primary commodity markets and developments in the United Kingdom and the OECD area. Experience in sterling money markets will be valuable, though not essential.

The appointment will interest candidates possessing a good degree in economics or an associated discipline who seek an attractive basic salary and substantial ancillary benefits. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to: The Personnel Manager, Standard Chartered Bank Limited, 10 Clements Lane, London EC4N 7AB.

Standard Chartered  
BANK LIMITED

## Deputy Manager

Pension Funds Investment

London c.£9250

British Gas Pension Funds have investments of about £400 million including property.

We are seeking a person who will deputise for the Manager in managing and making investments of the central funds of the gas pension schemes and be responsible for the administrative and accounting work of the department.

The job demands organising ability, knowledge of monetary economics and familiarity with City institutions and methods.

An appropriate degree and/or professional qualification is necessary and financial experience in a senior position in a £multi-million organisation is also desirable.

Salary within the range £8382-£9951 including Inner London Weighting.

Applications in writing, giving details and quoting reference number F-016001 should be sent to Personnel Manager HQ, British Gas Corporation, 59 Bryanston Street, Marble Arch, London W1A 2AZ. Closing date for applications 12th January 1978.

This post is open to both men and women.

BRITISH GAS

## FINANCIAL CONTROLLER

(FINANCIAL DIRECTOR DESIGNATE)

Age: 30-45 Up to £12,500 + car

London

Our client is a public company in the freight handling and warehousing, travel and general trading field. They require a Financial Controller (Financial Director Designate) who will report to the Managing Director.

The appointee will be responsible for the complete accounting function including the review of existing systems and the design and implementation of new systems throughout the Group. He/she will be responsible for the preparation of monthly accounts and the consolidation of annual accounts. He/she will be responsible for all financial aspects of the business and there are also secretarial duties.

Applicants will be chartered accountants in the age range 30-45 and will have sound experience at a senior level in financial and management accounting in commerce or industry and have had some secretarial experience. A strong systems background is necessary.

Please write or telephone for an application form, quoting ref. 901/FT to:

W. L. Tait,  
Touche Ross and Co.,  
Management Consultants,  
4 London Wall Buildings,  
London EC2M 5UJ.  
Tel: 01-588 6644.

c £10,000 p.a.  
**Group Financial Controller**  
LONDON  
Hotel Group

Chartered Accountant. Male or Female. Age 30 plus. Must be fully conversant with uniform system of computerised hotel accounting and control systems in a group environment. Outstanding career opportunity with international company. Excellent fringe benefits include Company car, pension/life cover and relocation expenses.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 7071 (24 hour answering service).

Previous candidates should not re-apply.

MRD

Management Recruitment Division  
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MEXICO CITY, SAO PAULO, RIO DE JANEIRO, MELBOURNE,  
SYDNEY, JOHANNESBURG AND DURBAN. TEL. 01-493 7117.

## NIGERIA

### Senior Financial Executive

A major international pharmaceutical company requires a Nigerian national to take up an important position in its Financial Department in Nigeria.

The position is extremely challenging and will provide ample opportunity for further advancement in management within the company.

Candidates should have an internationally recognised accountancy qualification and be available for interview at short notice.

Please contact Terry Jones at home on Little Gaddesden (0442 84) 3378 or at his office in Hitchin (0462) 55303 (24 hour answering service).  
Grosvenor Stewart Limited, Management Recruitment Consultants, Hamilton House, 15 Titehouse Street, Hitchin, Hertfordshire.

GS

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Executive Search and Selection

## SENIOR EXECUTIVES

INTEREXEC gives positive assistance to Executives seeking new employment or to improve or change their careers. Where to start looking for a job. Which Agencies can help? How to find unadvertised vacancies? What are conditions like in the Middle East? How to succeed at interview. How to find the right job at the right salary. INTEREXEC maintains all the information you need, provides a comprehensive advisory service and does all the ground work of job hunting for you, enabling Executives to explore the market with confidence, and to secure the right appointments faster.

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## GLANFIELD LAWRENCE LTD.

Motor Distributors (Public Company)  
Seven Main Dealerships and Turnover £10,000,000

## GROUP SECRETARY

based on North London Head Office with small Board.

The selected candidate will be in the 35-45 age group with good professional and/or commercial experience. Duties will include responsibility for all accounting functions and financial control. Previous experience of the motor trade an advantage. CAR PROVIDED SALARY NEGOTIABLE

Apply: Chairman

407 High Road, North Finchley, London N12 6AL

## MANAGING DIRECTOR FOR TRADING COMPANY

This is an opportunity for a dynamic director of proven ability to run a trading subsidiary in East London for a young, vigorous and fast expanding public company. Please write in first instance to:

The Chairman,  
GROVEBELL GROUP LIMITED,  
Rawlplug House, London Road,  
Kingston-upon-Thames, Surrey KT2 6NR.

## An Invitation

by the Financial Techniques Group

### TO POTENTIAL TAX PLANNING ELITISTS

Our City-based tax planning division is holding a series of individual private and informal meetings during January and February. We shall be inviting to these occasions both existing and potential top level tax consultants who are suitably qualified and who wish to become high fliers in their field.

Held in complete confidence, the meetings will provide the opportunity to explore with senior members of our consultancy team the unique career prospects offered. Our tax planning division has been established seven years and during this period has built up a multi-discipline team of chartered accountants, barristers and solicitors who are now at the forefront of their field. Our rapidly expanding workload now requires that we significantly expand our consultancy.

Wide scope is provided for original and creative thinking in sophisticated UK and international tax planning and problem solving for public and private companies, partnerships and individuals. We do not specialise in devising artificial tax avoidance schemes but concentrate our expertise on cracking the complex and challenging tax problems experienced by our clients.

We also provide the opportunity to contribute to our tax publications, among which is *Business Tax Quarterly*, and to present at our national conferences on tax planning.

Fully trained consultants operate at principal level and determine their own future. The career prospects are exceptional and are linked to a sophisticated remuneration package which, through a profit sharing scheme, offers very substantial earnings potential.

If you would like to be considered for an invitation to a meeting, please write with brief personal and career details, marked private and confidential, to:

The Chairman,  
Financial Techniques Limited,  
Hillgate House,  
Old Bailey,  
London EC4A 7HS

### Merchandising Planning

Capital Equipment  
East of Scotland, to £6,300

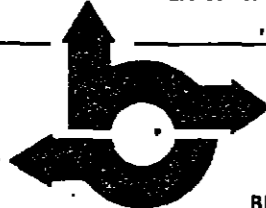
As part of a major UK company, this profitable division offers a challenging appointment within the Marketing function. The successful candidate will take responsibility for the strategic planning of merchandising and promotional activities covering a range of capital equipment selling in volume. Applicants, ideally aged 25-30 preferably with a degree must have proven industrial

or advertising agency experience dealing with marketing of capital equipment. Analytical ability and the personal skills of communication and motivation are key requirements. First class conditions include a company car scheme and generous assistance with relocation to a high amenity area. There is considerable scope for personal development and advancement.

J.C. Brown, Ref: 31312/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:

GLASGOW: 041-221 2585, 127 St. Vincent Street, G2 5JR.



## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

### Financial Director (Designate)

£15,000 p.a. + Car

East Anglia

Our client is an independent British Group with a £ multi million turnover and a sound profit record. Its products enjoy international repute across a wide span of user industries.

The salient requirements of the appointment are the capacity to identify the full financial implications of business plans and objectives and the further development, within the profit centre concept, of stringent

and interpretative control data for operational management.

This position will attract those aged 35-45 who have already demonstrated their creative professional and managerial skills at a senior level in an engineering environment. The salary package is up to £15,000 p.a. Board status will be accorded by invitation well within twelve months.

Applications in confidence quoting ref: 6184 to O. E. B. Hughes, Mervyn Hughes Group, 2-3 Cursitor Street, London EC4A 1NE. Telephone: 01-404 5801 (24 hours).

**Mervyn Hughes Group**

Management Recruitment Consultants

### European Banking Company Limited

European Banking Company is the international merchant bank of the EBIC Group. Its shareholders represent seven of the largest commercial banks in Europe with combined assets of over \$164,025 million and a network of over 10,000 offices.

We need to appoint a young graduate who will be involved immediately in helping to develop the bank's international corporate finance activity. The successful candidate will work as a member of a team in all phases of the bank's financing operations.

All candidates must have had at least two years working in a merchant or investment bank; and preferably one which is highly active in this field. Fluency in more than one language will be a considerable asset.

It will become apparent very quickly that the successful candidate can make a significantly rewarding career for himself in the bank and that his job will be exacting and his learning curve steep from the outset.

Please write in total confidence to Broadbent-Jones & Partners, Business Consultants, Wilton House, Hobart Place, London SW1. Telephone 01-235 0149.

### AUSTRALIAN STOCKBROKER INSTITUTIONAL DEALER

We are seeking an experienced Institutional Dealer to join the staff of our London Office. A sound knowledge of the Australian market is essential. The successful applicant will become part of a small team servicing the Firm's broking associates and institutional clients in various investment centres around the world. Subsequently, the opportunity may arise to transfer to the Firm's Australian operations.

PREFERRED AGE: 25-35

SALARY: FULLY COMPETITIVE

Applications in confidence to: MR. G. N. WEBB,

POTTER PARTNERS

Members of The Stock Exchange of Melbourne Ltd.  
Estates House, 64 Grosvenor Street, LONDON EC2V 7AP  
Telephone: 01-426 0481

### Fund Management c.£5,000

Highly motivated team of fund managers seek investment analyst, graduate, with 2 years' experience, to work on overseas markets.

**Institutional Sales c.£10,000**  
An opportunity for someone working in this area to further their career and enjoy substantial earnings.

**Economist c.£5,000**  
Young bright economist required by trade association in S.W.1. Varied responsibilities include forecasting, report writing and liaison with government.

ALL ENQUIRIES ARE TREATED IN THE STRICTEST CONFIDENCE

Telephone or send career details to Stephen Sharkey,  
J. Farquharson Ltd., 7 Grosvenor St., E.C.2. Tel. 01-237 228.

**JFL RECRUITMENT CONSULTANTS**

### Managing Director

W. Midlands - c.£17500

First, let's define our market: this advertisement is aimed at established managing directors, probably around forty, either engineers or evidently capable of flourishing in an engineering environment. Their records will suggest commercial acumen, intellect well above average (sadly, intelligent managing director is not tautologous), and the ability to get the best out of their people. Whatever their background, they will agree that an M.D.'s essential role is to set marketing strategy and profitable operating objectives, and then to ensure that they are achieved; further, they will be able to demonstrate that they have done just that. To this very restricted market we offer a profitable company which enjoys the best of both worlds - membership of a respected, successful, international group, and virtual autonomy, given by a Main Board that believes an M.D. should earn his salary! The company, which is based in a pleasant part of the West Midlands and has a small subsidiary in Germany, manufactures a wide range of precision machinery. Turnover is around £20 million and there is considerable growth potential, particularly in export. Please write with full career details to Jack Cox.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 808/JAC.

**BROOK STREET EXECUTIVE RESOURCES LIMITED**

47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

International Recruitment Specialists  
for the Commodity Markets



### Managing Director Metals

London

A Trading Company operating in the field of soft commodities and metals requires a MANAGING DIRECTOR with the emphasis of background and expertise in non-ferrous metals trading, the L.M.E. and Comex.

The person appointed will have had management responsibility for the performance of a trading activity and will also have had substantial client contact. He/she may have had experience on the metals desk at a senior level as an Account Executive in a Commission House, as an Executive with a Ring Dealing or Non-Ring Member of the London Metal Exchange, or elsewhere in a senior metals trading function.

He/she will be responsible for controlling and motivating the trading team. The challenge will be to develop fully the potential of a first class company with world wide producer and customer connections.

The envisaged age range is 35-45 and the successful candidate will receive a substantial basic salary negotiable with participation in the results of the performance of the company. A car and substantial benefits will be provided.

In the first instance please contact Graham Stewart of Commodity Appointments Limited who will supply further relevant information and will arrange interviews in complete confidence.

Egmont House 116 Shaftesbury Avenue London W1  
Tel 01-439 1701

### FINANCIAL TIMES Commodities Appointments

On every Thursday, from 19th January 1978, look out for the Financial Times Commodities Appointments section - just part of our regular Thursday appointments column.

For details of advertising in this new section contact: Steve Nevitt or Mike Hills on 01-243 8000, ext. 591 or 588.

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

### PENSIONS MANAGER NEW BUSINESS

Highly motivated and sales orientated consultant required to lead a compact team expanding our portfolio of pensions clients. The Manager will operate from Kingston-upon-Thames and cover the United Kingdom. He/she will offer advice on all aspects of pension funds, including self administered, managed and insured. Non contributory pension fund and car provided. Salary in excess of £7,000 p.a. will be negotiable.

Contact Miss Sue Waite  
Personnel Administrator

**Stewart  
Wrightson  
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Stewart Wrightson Ltd  
Kingston Bridge House  
Church Grove  
Kingston-upon-Thames  
Tel: 01-977 8888

### Financial Controller £12,000

This group, recently established in the United Kingdom, has interests in property and in hotels. There are plans for considerable expansion in both fields in the United Kingdom and in Europe. The group which has strong Middle East connections is looking for a Financial Controller.

The role being new has a wide range and includes advice to the Board, investment appraisal, financial control and guidance to line accountants. Responsibility is to the Chief Executive.

The requirement is for a chartered accountant preferably in the age range 30 to 40 whose commercial experience includes success in exercising financial control in a volatile service industry. The ability to present periodic and project results simply and clearly is essential.

Salary and benefits will provide remuneration of £12,000. Location London W1.

Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3643.

### Tax Planners—Partnership

London W1

From £8,500

Would you be interested in joining an extremely successful specialist partnership in W1, where the growing requirements of personal clients for advice on financial matters, including tax planning, investment management and general financial advice make an expansion of the professional team necessary?

Our client is looking for chartered accountants between say 35-50 with exposure to tax before qualifying; a genuine interest in and feel for tax, and concentrated recent UK personal tax experience.

The persons appointed will be high fliers who will be expected to become partners within a year to 18 months; a prospect which is enhanced by the firm's recent and forecast growth.

It is unlikely that salary will be a barrier to the right man or woman.

For a fuller job description write to Donald MacDonell, John Courtis & Partners Ltd, Selection Consultants, 78 Wigmore Street, London W1R 9DQ, demonstrating your relevance briefly but explicitly and quoting reference 519/FT.

## JC&P

### Managing Director Engineering c.£17000

To assume total responsibility for a well known engineering company engaged in the design, manufacture and marketing of its own product range. The company holds a unique position in its sector of the market; a position established over the years by the achievement of unrivalled quality in manufacture and durability in service of its products.

We should be pleased to receive enquiries from qualified engineers in their mid 40's, who are already running a sizeable engineering company, preferably in a sector of the automotive industry and who, although probably production or engineering orientated during the earlier part of their career, are now fully attuned to the financial and marketing implications of running a multi-million pound company. The remuneration package will be negotiated around a basic salary of £17,000.

Please reply, in confidence, quoting reference No. 4184/FT.

**Charles Barker-Coulthard**  
30 Farringdon Street, London EC4A 4EA.  
Telephone 01-236 0526

### New York Stock Exchange Firm

After a long period of consistent and increasing profitability and substantial expansion of our client list, we are seeking a principal to join others in a strong London-based team. He/she would take responsibility for certain major U.K. accounts and for developing new clients both in the U.K. and on the Continent.

The individual we are looking for should fill the following requirements:

1. An established record of success in the brokerage industry;
2. An interest in being involved in the administration and planning of the future of the firm as well as being active on the sales side;
3. Age 28-40.

The salary for the successful applicant will be in line with Wall Street levels. In addition, we would expect to offer a meaningful equity/profit sharing arrangement within a short period.

Write Box A.6194, Financial Times, 10, Cannon Street, EC4A 4BY.

### BBC Radio News

is looking for a new

### ECONOMICS CORRESPONDENT

Downie Harrod is leaving us to go into industry, and we are looking for someone to replace him. Our new correspondent will already be an experienced financial/economic journalist with a high level of expertise and the ability to talk about complex subjects in a way that will be understood by the general listener. He or she will work mainly for Radio News and Current Affairs but will be expected to contribute to other programmes from time to time. Applicants may be required to take a voice test.

The salary will be in the region of £7280 to £9450 per annum with a special allowance for £400 for irregular hours.

Telephone or write immediately, enclosing addressed envelope, for application form quoting reference 77.G.1688 FT. to Appointments Department, BBC, London W1A 1AA. Tel: 01-580 4488 ext. 4619.

# CHIEF ACCOUNTANT

c. £5,500 + Benefits London W2.

**OLYMPIC HOLIDAYS**, Britain's largest tour operator for Greece, are currently seeking a Chief Accountant for their London office. Reporting to the Finance Director, the man or woman appointed will be responsible for controlling the London Accounting Centre. This includes the preparation of statutory and management accounts and the attendant administration.

Age is not a vital factor but it is essential that applicants have a wide and thorough knowledge of accounting in general and in particular, of the production of timely and accurate reports. The ability to motivate and organise staff is also an important requirement.

We offer a negotiable salary, starting at around £5,500, plus benefits which include a profit sharing scheme and travel concessions. As an expanding company, we are able to offer valuable experience and good prospects.

Please write, with brief personal and career details, or telephone for more information, to:

W. E. Dyer, Finance Director, OLYMPIC HOLIDAYS LIMITED,  
24/28 Queensway, London W2 3RX. Tel: 01-727 8059.



## CREDIT ANALYSTS

Age 24-40 £6,500-£7,500

Leading International Bank seeks two experienced and ambitious Bankers as part of a major expansion programme. A minimum of two years' analysis work in corporate currency lending, and at least Pt. 1 are essential. Prospects for advancement into marketing are good, and fringe benefits are fully commensurate with the seniority of the appointments.

For further information regarding these and other banking positions, please telephone Rod Jordan

**BANKING PERSONNEL**  
41/42 London Wall, London EC2. Telephone: 01-588 0781

(Recruitment Consultants)

### MASSEY UNIVERSITY

**PROFESSORSHIP IN BANKING**

The newly established Chair in Banking is the third professorship in the Business Studies Department in the Faculty of Business. The other professorships are in Business Studies and Accounting and Financial Management.

The Professor of Banking will be expected to make a leading role in the development of teaching and research in his or her discipline in the University. In addition to responsibility for the postgraduate/professional Diploma in Banking Studies to be introduced in the 1978 academic year, the Professor in Banking must be able to develop effective relationships with the professional banking community on a local and national level. It is anticipated that especially close liaison will be maintained with the Bankers' Institute of New Zealand, through which financial support for the Chair in Banking is provided. Extension of the teaching of banking into the undergraduate Bachelor of Business Studies and postgraduate degrees is seen as a likely evolution.

Library resources in the field of banking are in the process of development. The Professor of Banking will be expected to guide the acquisition of reference material and to make recommendations for establishment of other necessary resource support. Specific enquiries should be directed to the Dean of the Faculty of Business in the University.

Salary within the range of NZ\$20,113-£25,598 (plus a Special Interim Allowance of 3.5%).

Further details of the position and of the University together with Conditions of Appointment and information as to be applied by applicants may be obtained from the Secretary General, Association of Commonwealth Universities (A.C.U.), 36, Gordon Square, London WC1H 0PF, or from the Registrar of the University.

Applications close on 15th February, 1978.

### ACTIVE MEMBER

with useful commission income seeks association with member firm possibly combined with salaried dealing.

Write Box GY177  
Financial Times  
10 Cannon Street, EC4A 4BY

CREDIT ANALYST required for international bank with preference for experience in corporate currency lending. Salary negotiable. Send CV to Personnel 01-405 1544

## Degree + ACA? under 26?

A career in Oil

London, to £7,000

One of the largest UK oil companies requires 2 chartered accountants to be groomed for a responsible management career. The initial appointments, at their head office in London, will involve project accounting and internal consultancy, providing technical and commercial support to

their operations in the UK and overseas. Up to 25% travel can be expected and a foreign language would be useful. Excellent conditions of employment include a salary review within 6 months, non-contributory pension scheme, interest-free season ticket loans, and heavily subsidised lunches.

Mrs Indira Brown, Ref: 19076/FT

Male or female candidates should telephone in confidence for a Personal History Form to:  
LONDON: 01-734 6852, Sutherland House, 5/6 Argyle Street, W1E 6EZ



## Hoggett Bowers

Executive Selection Consultants  
BIRMINGHAM, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD.

## James Capel & Co.

EUROPEAN DEPARTMENT

We have a vacancy for an executive to join the small team servicing our Continental clients.

Suitable applicants should have at least two years' Stock Exchange experience. A working knowledge of French or German is preferable but not essential.

This is a position which offers substantial scope for travel, and advancement within the firm.

Remuneration will be commensurate with experience, initiative and ability.

Applicants should send a brief curriculum vitae to:

P. F. J. Rendell,  
James Capel & Co.,  
Winchester House,  
100 Old Broad Street,  
London EC2N 1BQ.

## RESEARCH ANALYST

London up to £7858

The Pension Funds Department, within the Finance Division of British Gas, requires an experienced Research Analyst. You will assist the Principal Research Analyst in the preparation of recommendations for investment. This will involve continuous monitoring of equity and other sectors as well as close scrutiny of the financial press, brokers' circulars etc. In addition you will be expected to prepare both industry and company reviews and make company visits as necessary.

Candidates should have an economics or numerate degree, or a professional qualification, and experience in a relevant environment.

Salary will be in the range £3721-£6882 plus £456 Inner London Weighting plus phases I and II pay policy supplements.

Please write with full details of age, qualifications, experience and current salary, quoting reference F.01901, to the Senior Personnel Officer (London), British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications 19 January 1978.

## BRITISH GAS

## BUCKMASTER & MOORE

have vacancies for

SENIOR ACCOUNTS CLERK,  
RIGHTS/DIVIDENDS CLERK

and

OFFICE JUNIORS

Telephone or write:

GERALD RISDON  
Administration Partner

Buckmaster & Moore,

19th Floor, The Stock Exchange,

London EC2P 2JT.

Telephone: 588 1955

## INTERNAL AUDITOR - STOCKBROKERS

We are a large firm of Stockbrokers and invite applications for this vacancy from persons experienced in SETTLEMENT and who have been professionally trained in AUDIT PROCEDURES.

We can offer a progressive career with competitive salary, profit participation and other fringe benefits.

Please write in confidence to:  
Box A6198/Financial Times, 10 Cannon Street, EC4A 4BY.

## FISH FARMING

A chance to live and work in the countryside. An opportunity occurs for two single persons with good appearance and personality to act in sales/delivery to high class hotels and restaurants outside, joining a group of young, enthusiastic fish farming scientists in a remote but beautiful Cornish valley farm. Pleasant accommodation offered on the farm, and some fish farming training included. Salary plus bonus scheme offered. Write for interview with photograph and curriculum vitae to:

FISH, STREAM & COVEY (ENGLAND) LTD.,  
Fish Farming Managers and Engineers,  
Meriden, Warwickshire, CV7 7LJ.

## FIRST-CLASS OPPORTUNITIES

available to qualified, student and experienced accounting personnel.

Contact Bob Mills or Brian Cogswell on 01-428 2691.



APPOINTMENTS ALSO APPEAR TO-DAY ON PAGE 10

## Financial Executive

Sussex £9,000

The expansion and export market growth of a well established British group has led to their maximising penetration of U.K. markets and establishing a new Export Division. This has resulted in a post for a rising and already proven Financial Executive. The Group is engaged in design, development, manufacture and marketing well known ranges of electronic communications, remote supervisory control and fire detection systems.

The Financial Executive will be required to advise the Chairman and Managing Director on how financial improvements may be made in all areas of activity. This will be achieved by the analysis of budgets and monthly management accounts and study of the company's operations. Viability analysis of new products, markets and current and projected expansion plans are inherent responsibilities. Visits to installation sites and liaison with various departmental heads, customers and the senior management of support banks are also involved.

The successful candidate will be aged up to 40 and probably be a qualified accountant or economist who has wide experience of finance/accounting functions and systems within industry. This may have been gained directly or from a period of consultancy. A sound commercial acumen will be required together with the ability to improve existing systems.

Telephone Richard Townes,  
Brighton (0273) 22331.

**PER**  
Professional & Executive Recruitment

Applications from both men and women are welcome.

## Finance Director

LONDON Manufacturing Group

Chartered Accountant, male or female. Age up to 50. Able to demonstrate successful track record with full financial responsibility and business involvement. Familiarity with computerised accounting and control systems. Career opportunity with a highly profitable and expanding international group. Must be mature, positive thinking and articulate. Package includes bonus, company car, pension/life cover, BUPA and re-location expenses. Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 7048 (24 hour answering service).

## MRD

Management Recruitment Division  
BOYDEN INTERNATIONAL LTD.  
11/15 ADELPH STREET LONDON SW1A 1RD.  
LONDON, ADELPHI, GENEVA, ROME, MILAN, MADRID, BARCELONA, TOKYO, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE U.K.

## WILLIAM REED AND SONS LIMITED

A MANAGING DIRECTOR

is required for their newly acquired carpet yarn spinning mill in Newbridge, 30 miles from Dublin. The plant is very modern and equipped with Mackie spinning, and facilities for twisting, heat-setting and stock-dyeing. Applicants should be fully experienced in carpet yarn spinning and have all-round ability to deal with industrial relations. Salary will be negotiable and commensurate with the responsibility and seniority of the position. Address applications in the first instance to:

The Chief Executive

WILLIAM REED AND SONS LIMITED  
Parkgate, Bury New Road  
Frestwich, Manchester. M25 8JX



## COMMODITIES

### Senior Cocoa Trader

An actively forward-looking trading house are seeking to meet the employment aspirations and salary requirements of one of the prime Cocoa traders on the London Cocoa Markets. The successful applicant will be responsible for all the Company's Cocoa operations. Applicants must already be commanding a substantial Five Figure basic salary.

### Senior Bullion Dealer

Our clients, well established Metals traders are seeking an experienced Senior Bullion or Precious Metals dealer. The right applicant must be currently active on either Market. Age 30/35. Salary will consist of a Five Figure remuneration package.

Above is a selection from our Senior Appointment Register. If you are interested in these or any other position in the Commodity Markets, please contact Ray Wallhead or Robert Kimbell.

Charterhouse Appointments

40 Bow Lane London EC4

Telephone 01-236 1221

## OPPORTUNITIES IN LIFE

## ECONOMIST

Edinburgh

We require an economist to work with our investment team at head office, Edinburgh. For the right person it provides an excellent opportunity in a progressive and expanding mutual life office. The successful applicant, who will be responsible to the Investment Manager, will be expected to monitor and report on various economies. He or she will have the ability to communicate and express thoughts clearly, and to understand and interpret economic, financial and monetary developments as they affect financial markets. Applications are invited from Honours Graduates in Economics with some post-graduate working experience in commerce or industry. Age range 25-35. Attractive salary and conditions of service. Please write giving brief details of education and experience to:-

The Staff Manager  
The Scottish Provident Institution  
6 St. Andrew Square  
Edinburgh EH2 2YA.



**SCOTTISH PROVIDENT**

## Controller

£10,000+car

The parent corporation develops, manufactures and markets throughout the world a wide range of technical products. Recent expansion has led them into a new growth area compatible with their reputation for technological excellence. One acquisition is a major supplier of mini computers, terminals and peripherals which is now looking to make a new appointment to its United Kingdom company.

The UK Controller reports to the Finance Manager Europe, with an additional reporting line to UK operating management. The task of the Controller will be to upgrade the finance function of the limited company.

The requirement is for a Chartered Accountant with post professional management experience in high technology. It would be helpful if applicants had worked in a subsidiary of a UK parent company. The environment is demanding.

Age around 30. Location Slough, Salary £10,000 plus etc. Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3643.

## COMPANY NOTICES

### LUXAM TRUST S.A.

société anonyme

Registered Office: LUXEMBOURG, 14, rue Aldringen.

Registre de Commerce: LUXEMBOURG, Section B n° 8.374.

An extraordinary meeting of shareholders of LUXAM TRUST S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on January 11th, 1978 at 10.00 a.m. for the purpose of considering and voting upon the following matters:

1. LUXAM TRUST S.A. be dissolved with effect from the date of this meeting or if this meeting be adjourned from date of such adjourned meeting.
2. Appointment of one or more liquidators of the company.
3. Instructions to the said liquidators to distribute the assets of the company in kind or in cash after providing for all liabilities of the company including liabilities to be incurred in the course of its liquidation, to the shareholders of the company. Determination of the liquidators' powers to execute his mission.

Resolutions on the agenda of the extraordinary general meeting will require that at least 50 per cent of the total issued and outstanding capital be represented at the meeting. Should such quorum not be reached, a second meeting would then be convened not earlier than a month later. In the extraordinary meeting, a majority of two thirds will be required for resolutions on the items of the agenda.

In order to take part at the above meeting on January 11th, 1978 the owners of bearer shares will have to deposit their shares with the company before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following banks:

- Banque Générale de Luxembourg S.A., 14, rue Aldringen LUXEMBOURG
- The Mercantile Investment Trust Limited, Bucklebury House (9th Floor) 11 Watling Road, LONDON EC4N 8EJ

Shareholders are advised that the right to have their shares repurchased is suspended as from 24th December 1977 in view of the liquidation of the company.

The Board of Directors.

### BRAZILIAN INVESTMENTS S.A.

Sociedade de Investimento - Decreto Lei N° 1401

Notice of Extraordinary General Meeting of Shareholders

NOTICE is HEREBY given that an Extraordinary General Meeting of BRAZILIAN INVESTMENTS S.A. SOCIEDADE DE INVESTIMENTO, DECRETO LEI N° 1401, will be held at Avenida Rio Branco n° 138, 8th floor, Rio de Janeiro, Brazil, on Monday, 9th January, 1978 at 3.00 p.m., for the following purposes:

1. To consider and adopt Articles of Incorporation in the form of the draft filed before the meeting and initially by way of identification by the Chairman, such Articles being amended in accordance with the provisions of the Brazilian Corporation Law of 1976 (Lei n° 6404 of 15th December, 1976).
  2. To accept the resignations of Sergio Coutinho de Menezes and Cristiano Buarque Neto from the Board of Directors.
  3. To elect Sergio Coutinho de Menezes, President of the Administrative Council and Cristiano Buarque Neto and Geoffrey Shawcross as members of the Administrative Council.
  4. To establish the remuneration of the members of the Administrative Council which will be nominal.
  5. To dissolve the Audit Council.
- By Order of the Board G. A. LANGLANDS

Rio de Janeiro, 16th January, 1977.

The proposed amendments to the Articles of Incorporation may be summarized as follows: (i) Mechanical signatures will be permitted; (ii) Shareholders will have power to appoint an Administrative Council of 3 or more members (only one of whom may be a Director) which will (inter alia) have power to elect or dismiss the members of the Board of Directors and to call general meetings of the company; (iii) While the existing powers of the Board of Directors and the Advisory Council will be retained, the provisions will be included to suspend the operation of the Audit Council should shareholders wish to retain power to call specifically for its reinstatement from time to time; (iv) The powers previously exercisable by the Director President will now be exercisable by him; (v) Shareholders will have specific power exercisable by resolution passed in general meeting to distribute or retain net profits of the company after provision for income tax and legal reserves where necessary in accordance with Article 193 of the 6404/76 and (vi) Provisions will be included to permit the Board of Directors to pay half yearly dividends.

Copies of the proposed amended Articles of Incorporation and the BRAZILIAN Corporation Law of 1976 (Lei n° 6404), together with English translations thereof will be available for inspection at the registered office of the company, at MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 33, Avenue des Arts 1040 Brussels, and at JAMES CAPEL AND CO., 5, Whitehall Court, 10 Old Broad Street, London EC2N 1BQ.

Holders of International Depositary Receipts (IDRs) issued by MORGAN GUARANTY TRUST COMPANY OF NEW YORK who wish to have the underlying Brazilian Investments shares voted at the meeting should deposit their IDRs not later than January 4, 1978 at any of the paying agents listed below:

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 33, Avenue des Arts, Brussels - Avenue des Arts, 35 1040 Brussels - New York, Wall Street, New York N.Y. 10013 - London, EC3, Lombard Street, London EC3.

Shareholders wishing instructions indicating how the shares be voted or allowing MORGAN GUARANTY TRUST COMPANY of New York to give a discretionary proxy to a person designated by the company.

### GUTHOFFNUNGSNUTTE OVERSEAS N.V.

7.4% GUARANTEED BONDS 1981/1984  
5.5% WARRANTS & CO. LTD. announces that the second annual installment of bonds to a nominal value of U.S.\$ 2,500,000 have been cancelled for redemption on the 15th January, 1978.

U.S.\$22,500,000 nominal amount of bonds will remain outstanding after 15 January 1978.

30, Gresham Street, London EC2A 3DF, 5th January, 1978.

# WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

## Above worst on dollar intervention \$ recovers

BY OUR WALL STREET CORRESPONDENT

AFTER SUFFERING a further sharp setback this morning, Wall Street staged a dramatic reversal in the early afternoon as the dollar rallied from Washington that the Government is intervening to support the dollar, but prices resumed a downward track later to close broadly lower after heavy trading.

An initial fresh fall of nearly 13 points in the Dow Jones Industrial Average was cut back to a net loss of only 3, before the index slipped back to end the day at 813.33, the lowest since 1975. The NYSE All Common Index was finally 19 cents easier at 851.63, after \$31.40 with losses leading gains by 98 to 487.

Trading volume, which had been sluggish in the morning, expanded rapidly after the news on stocks.

Carlier in Paris that U.S. efforts will be directed towards maintaining the strength of the dollar. Excess, the volume leader, declined 1 to 54 1/2, while Hewlett-Packard, preparing a secondary offering, shed 1 1/2 to 87 1/2.

Gold mining stocks were higher earlier on the dollar's slide and another big jump in the price of gold, but the majority came under selling pressure later in the day.

THE AMERICAN SEC Market Value Index finished 0.55 off at 126.14, after moderate activity. Volume 2.50m. shares (2.05m.).

### OTHER MARKETS

#### Canada weaker

Canadian Stock Markets were broadly lower again yesterday following an active business. The Toronto Composite Index lost 4.1 points to 1043.7, while the 30-Stock Index fell 2.4 to 1432.2. Banks 3.00 to 233.86, and Papers 0.57 to 93.63. The Gold index, up 40 points more at the opening, later retreated to close a net 23.0 down at 1344.6 on news of the U.S. Government's intervention to support the dollar.

PACIFIC shares moved sharply lower following the early fresh fall in the dollar. Pecosine weakened 5 to 85.108 in Engineering while, elsewhere, Sackler was withdrawn from trading.

ing after falling the day's permitted nominal of paper the previous day. Mark foreign loans were firmer.

SWITZERLAND—Bourse prices retreated in a heavy turnover, undermined by the sharp decline of the U.S. dollar and some other major currencies against the Swiss franc and the overnight weakness of the Swiss franc.

Orlikon-Buehler fell 90 to Sw.Fr.2.390 in active trading, while Nestle were 73 lower at Sw.Fr.3.415 and Ciba Geigy 70 down at Sw.Fr.1.105.

MILAN—Prices hardened in more active trading, with buying interest covering most issues, but particularly Insurances. Financials and a few Industrials.

Banks had substantial rises in Banco di Roma and Comit. Amm. Industrials, Fiat rose 20 to L.929 and Pirelli 35 to L.933.

SPAIN—Market continued to lose ground, the General Index closed 0.70 lower at 85.13. Banks remained under pressure, particularly Banco Urquijo, which fell 11 points to 248, but selling of Electricals, Banco de Seguros, and Banco Iberia found support and hardened 2 to 146.

JOHANNESBURG—Golds rose strongly, although some ended below the day's best ahead of the IMF gold auction. Advances ranged to 305 cents in Heavy.

Elsewhere, De Beers added 7 cents more at R6.05.

Industrials also improved, with most of the buying on institutional account. Rand were 10 cents higher at R3.90.

HONG KONG—After Monday's marked depression, share prices fell fresh but became somewhat steadier during the afternoon. The Hang Seng Index was finally 3.43 lower at 228.2, a new closing two-year low.

Dealers said there was some indiscriminate heavy selling in the morning, particularly of Blue Chips, with Huttons Whampoa anchoring \$HK\$2.85 before closing a net 5 cents easier at \$HK\$3.35.

Hong Kong Bank retreated 20 cents to \$HK\$18.90, Hong Kong Land 10 cents to \$HK\$3.50, and Cathay Pacific 20 cents to \$HK\$11.10.

TOYO—Shares put on a mixed performance in the half-day trading session which followed the long New Year holiday, with trading volume amounting to 170m. shares.

Large-capital and low-price issues fared badly, but export-oriented Blue Chips fell following the yen's appreciation and the fall on Wall Street.

Sony declined Y50 to Y1,760, Matsushita Electric Y15 to Y351, Honda Motor Y15 to Y422, and Canon Y12 to Y360.

STERLING touched a high point of \$1.9890 against the dollar in early trading in the foreign exchange market yesterday, the highest level since March 5 1975.

This was at a time when the dollar was very weak against most major currencies, with the German D-mark, Swiss franc and Dutch guilder touching record levels during the morning. European central banks, including the Bank of England, probably intervened to support the dollar when trading was thin. During periods of heavy selling of the dollar the central banks tended to avoid further large amounts of the U.S. currency to their reserves.

Profit-taking also played a large part in the dollar's recovery. The Swiss franc touched a record Sw.Fr.1.9840, before closing at Sw.Fr.1.9825, compared with Sw.Fr.1.9825 previously.

The D-mark was at an all-time high of DM12.0430, before closing at DM12.0440, compared with DM12.0350 on Tuesday. The guilder rose to Fls.2.2100 against the dollar, and closed at Fls.2.2240, compared with Fls.2.2280 previously.

Sterling eased to around \$1.9790 at lunch, but then recovered to \$1.9835, before falling to a new point of \$1.9890 in the late afternoon. The pound closed at \$1.9830, a fall of 15 points on the day, but its trade-weighted index, as calculated by the Bank of England, rose to 68.2 from 68.1, after standing at 68.6 at noon.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty, widened to 6.02 per cent from 5.97 per cent.

Gold rose \$21 to \$171.121, its highest closing level since May 1975. Trading was very active in the morning, but was thin in the afternoon, with the gold auction by the International Monetary Fund.

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### WEDNESDAY'S ACTIVE STOCKS

Stock	Close	Change
Exxon	32.50	+1/4
American	31.10	+1/8
British Petroleum	24.80	+1/8
General Motors	28.50	+1/8
C. D. Scarle	32.50	+1/8
Seas Rochem	24.70	+1/8
Marathon	24.70	+1/8
Phillips	24.70	+1/8
Clamp	19.70	+1/8
General Electric	17.30	+1/8

### Indices

#### NEW YORK - DOW JONES

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	813.33	817.74	817.74	817.74	817.74	817.74	817.74	817.74
Composite	851.63	851.63	851.63	851.63	851.63	851.63	851.63	851.63

#### STANDARD AND POORS

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7
Composite	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2

### N.Y.S.E. ALL COMMON

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7
Composite	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2	1432.2

### MONTREAL

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### TORONTO

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

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Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

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Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

Jan. 4	Jan. 3	Dec. 29	Dec. 28	Dec. 27	High	Low	High	Low
Industrial	175.12	175.12	175.12	175.12	175.12	175.12	175.12	175.12
Composite	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7	1043.7

### JOHANNESBURG

26 1/8	26 1/8	Western Bancorp	31 1/2
84 1/8	84 1/8	Western N. Indus	26 1/4
22 1/8	23	Western Union...	16 3/4
27 1/4	27 5/8	Westinghouse Elec	17 3/4
16 1/4	15	Westwood	28
23 1/8	23 1/8	Weyerhaeuser	26 5/8
57 1/8	57 1/8	Whirlpool	22 1/8

# FARMING AND RAW MATERIALS

## Tin market stages strong rally

By John Edwards, Commodities Editor

TIN PRICES rallied strongly on the London Metal Exchange yesterday. Standard grade cash tin gained £170 to £8,395 a tonne—the first significant gain for nearly a month.

The market was boosted by a rise in the Penang Straits tin price overnight in defiance of the lower London values on Tuesday. At the same time, "borrowing" against forward commitments restored the premium of cash tin over the three months' quotation, and there was continued buying interest by chart followers.

Other metal markets were also firmer, although strongly influenced by the fluctuations in the value of sterling against the dollar throughout the day.

There was a slight rise in the price of buying interest, and some nervous clearing of previous sales. Cash lead closed £6.5 up at £80 a tonne, narrowing its discount with the three months' quotation that rose by £2.25 to £84.25.

Copper resisted some substantial "hedge" selling to close marginally higher on the day, and zinc followed the upward trend in lead and copper.

Reuters reported from Tokyo that the Japanese Finance Ministry said it rejected all bids for importing 1,500 tonnes of copper for mint use in a buying tender because of high prices.

## U.S. ready to fix meat quotas

WASHINGTON, Jan. 4. AUSTRALIA and a dozen other major meat producers are expected to sign new voluntary "restraint" agreements in the coming weeks aimed at restricting the amount of beef they ship to the U.S. this year.

Sixteen countries are eligible to ship fresh, chilled and frozen beef, veal and mutton to the U.S. under a 1960 "voluntary" restraint agreement. Most of the meat is low-grade beef used for hamburgers and processed food.

Formal agreements will cover 13 countries. Canada's meat shipments will be regulated under a separate arrangement as they were last year.

So-called "voluntary" restraint agreements have been used for some years instead of formal quotas to regulate the amount of foreign meat entering the U.S. market.

Australia is the largest supplier of this type of meat. Of more than 120,000 tons imported in the first 11 months of last year, Australia provided almost 53 per cent.

A.P.-Dow Jones

## Silkin launches new bid to break fish deadlock

By Richard Mooney

MR. JOHN Silkin, U.K. fisheries Minister, met EEC Commissioner Fitts Gundlach in London yesterday in the first stage of a bid to break the deadlock over negotiations on a new common fisheries policy.

Talks on the policy, which stalled in Brussels early last month, will be resumed on January 16.

Preparations for the new session continue with a meeting with British Fishing Federation representatives this evening, talks with U.K. fish catchers' associations on Friday and with fish users' on Monday, and will be completed at a meeting with Britain's fishing unions next Tuesday.

Despite last month's breakdown observers at the EEC Council of Ministers' talks noted a mood of cautious optimism. M. Antoine Humblot, the council president, discerned "an obvious will to succeed".

Catch quotas remained the main stumbling block at the December meeting, with other EEC Ministers seeing Britain's demand for a total catch of 2,000,000 tons as "astronomical". This figure also alarmed British fishers' interests, but for opposite reasons.

They pointed out that it represented less than a third of the 3m. tonnes of fish which fishery scientists estimate the EEC "pond" will yield this year.

This does not accord with a U.K. catch commensurate with the 60-70 per cent. contribution the nation is making to Community fish resources," the BFF said.

At the December talks EEC ministers were generally agreed on the need for strict conservation measures and all such measures—both national and Community—were extended for one month. The further extension of these restrictions, which include the ban on fishing for North Sea herring and the U.K. ban on industrial fishing in the "Norway" box, will obviously be high on the agenda for this month's meeting.

Our Aberdeen correspondent writes: Crucial talks begin tomorrow in Brussels over continued access for EEC trawlers to Faroe waters against a background of considerable pessimism in the U.K. fishing industry that agreement will be reached allowing a viable fishing effort to continue.

Failure to reach agreement with the Faroes would have implications throughout the

## New coffee contract this month

The Coffee Terminal Market Association announced yesterday that the new arabica market will start trading in London on January 16, provided building alterations are completed.

The official market calls will each last 10 minutes, starting with an opening call at 10.15-10.25, followed by the lunchtime close at 12.00. Afternoon trading opens at 14.45 and closes at 17.05.

There will be no option or afterhours trading, the Association Trading Unit cover coffee from Kenya, Honduras, Nicaragua, Colombia, Costa Rica, Guatemala, Salvador and Mexico.

Last November the association said it planned to start trading in an arabica contract quoted in dollars per 50 kilos with a contract unit of 17,500 bushels and April 1978 as the first delivery position.

Other delivery positions will follow the usual bi-monthly pattern: April, June, August, October, December, February and April.

## Record Brazil soya crop possible

RIO DE JANEIRO, Jan. 4.

BRAZIL HAS a fair chance of a further record soyabean crop this year with planting almost complete, Trade and Government sources said here.

Most sources expect an increase in the crop of about 1m. tonnes to slightly more than 13m. although the preliminary ideas of the Bank of Brazil (CACEJ) and some trade sources are for a crop of about 12.5m. tonnes against 11.5m. last year.

The Ministry of Agriculture's Commission for Financing Production (CFFP) expects a 9 per cent. increase in the soyabean area to 7.6m. hectares, and up to a 10 per cent. increase in output to 13.5m. tonnes from 12.4m.

Trade sources said planting for the coming crop has gone well.

As happens every year, there have been reports of excess rain, insufficient rain, erosion and other problems.

But none of these, nor the small-scale drought in the Rio Grande do Sul, has been widespread enough to alter estimates significantly, they said.

Reuters

## SOUTH AFRICAN AGRICULTURE Drought brings fear of big crop losses

By Bernard Simon

WIDESPREAD RAINS in the past week have come too late to save many South African farmers from their heaviest crop losses since the disastrous 1973-1974 season.

Abnormally dry weather during November and December delayed the planting of significant quantities of maize, sorghum, wheat and groundnuts, while scorching heat has destroyed young plants in many areas.

It is now too late to replant maize and although no official estimate of the 1978 crop has been made, most observers believe this year's harvest of South Africa's leading agricultural foreign exchange earner will be 15 to 20 per cent. below the 9.5m. tonnes in 1977.

With local consumption running at nearly 7m. tonnes a year, the deficit must be made up by sharply curtail the maize Board's export programme. In anticipation of a lower crop the Board has already cut its weekly tender offerings of white maize, the staple of the poor, and has warned that poor feeding conditions would probably delay the main cattle marketing season from February-March to early April.

Although dams last month were on average an eighth emptier than in December 1976, rivers have generally not dried up. This has meant that crops relying on irrigation have fared relatively well. Orange trees in the Eastern Transvaal for instance, are still in fine shape, and hopes are high that last season's record export earnings will be matched in 1978.

With the picking of the tobacco crop well under way, record yields are predicted, but no precise estimates have been released. In Northern Transvaal, one of the three major tobacco-growing areas, the crop is expected to be about 20 per cent. up on last year's record high.

Farmers are hopeful that conditions will improve during the remainder of the season. Consumers are beginning to feel the effects of the drought. Potato prices have risen to new highs at urban produce markets.

Since production estimates are an important factor in determining Government-controlled prices of farm produce, it is expected that the prices of maize, milk and numerous other staple foods will soon be raised. Indeed, the bread price jumped 25 per cent. this week. The increases will be compounded by last week's 14 per cent. rise in fertiliser prices.

## Proposals 'endanger' sugar industry

BRUSSELS, Jan. 4.

THE European Committee of Sugar Manufacturers said EEC Commission proposals for a cut in production quotas and a minimal rise in the guaranteed price of sugar could endanger the industry.

In a statement on the sugar proposals for the 1978-79 marketing year, the committee said it does not agree with the Commission that a cut in the "B" production quota to 20 per cent. from 35 per cent. of the basic quota is essential because of the slump on the world market and a possible EEC sugar surplus for export of up to 3.5m. tonnes in 1977-78.

The Commission has proposed a rise of only 1.16 per cent. in the intervention prices for beet and white sugar in the new marketing year.

The committee said EEC beet producers and sugar manufacturers should not have to bear the responsibility for re-exporting 1.3m. tonnes of sugar to close the EEC's surplus each year under the Lomé Agreement with African, Caribbean, and Pacific States.

On the London terminal market yesterday prices fell sharply under the influence of traders' continued strength. Traders said that the market had been active currency changes would have made much less of an impression. The only other potential influence, the EEC Commission's weekly export tender, had already been allowed for.

Brussels cleared 52,500 tonnes of raws for export—markedly less than in recent weeks when export licences have been issued for about 70,000 tonnes.

The March futures price for raws closed £2.75 down at £116.50 and the May position lost £2.075 to close at £114.50 a tonne.

EC's Brazil's raw crystal and refined sugar shipments rose to 2,400 tonnes worth \$432m. last year. In 1976 exports totalled 1,24m. tonnes worth \$311m. The Sugar and Alcohol Institute said.

Brazil's 1978 exports would be limited to its basic quota under the International Sugar Agreement of 2.35m. tonnes, which would be cut by at least 15 per cent., because prices were below 11 cents a pound, the institute said.

All the signs indicated that the 11 cents a pound minimum ISA price would not be reached before the second half of the year.

Reuters

## COMMODITY MARKET REPORTS AND PRICES

### BASE METALS

COPPER—Firm in active trading on the London Metal Exchange. After opening at £84.25, it rose to £84.75, then fell to £84.25, before recovering to £85.25. The three months' contract rose to £84.25, while the cash price stood at £80.00.

LEAD—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

ZINC—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

ALUMINIUM—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

IRON—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

STEEL—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

COAL—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

WHEAT—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

MAIZE—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

SORGHUM—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

WHEAT—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

MAIZE—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

SORGHUM—Firm in active trading. The three months' contract rose to £18.25, while the cash price stood at £18.00.

## Commodities in '78: BOOM or BUST?

Whatever happens to the markets this year one thing is sure; any success commodity traders enjoy will largely depend on the quality of the market intelligence they will get from their brokers. Perhaps the most important factor is accurate price forecasting.

Our Annual Market Review which gives firm price predictions at end-'78 will shortly be sent to all our clients. If you'd like a free copy plus the next four issues of our weekly Market Report, ask us.

Telephone 01-480 8841 or write to:

**CCST Commodities Ltd**  
Walsingham House, 35 Seething Lane, London EC3N 4AH.

## INVESTING IN COMMODITIES

A one-day seminar on Thursday, 2nd February, at the London International Press Centre.

Write or telephone for a brochure: CHART ANALYSIS LIMITED, 194-200, Bishopsgate, London, E.C.2. 01-253 4476.

## LEGAL NOTICES

NOTICE IS HEREBY GIVEN, pursuant to the Companies Act, 1948, that the annual general meeting of the company will be held at the registered office of the company, on Thursday, 2nd February, 1978, at 11.00 a.m. for the purpose of considering and approving the accounts and the dividend for the year ended 31st December 1977.

By order of the Board, J. D. BAKER, Secretary.

## PRICE CHANGES

Prices per tonne unless otherwise stated.

	Jan. 4	Jan. 3	Month
Jan. 1978	1977	ago	
<b>Metals</b>			
Copper (3m)	85.25	84.75	+0.50
Lead (3m)	18.25	18.00	+0.25
Zinc (3m)	18.25	18.00	+0.25
Aluminium (3m)	18.25	18.00	+0.25
Iron (3m)	18.25	18.00	+0.25
Steel (3m)	18.25	18.00	+0.25
Coal (3m)	18.25	18.00	+0.25
Wheat (3m)	18.25	18.00	+0.25
Maize (3m)	18.25	18.00	+0.25
Sorghum (3m)	18.25	18.00	+0.25

## U.S. Markets

### Currency concern hits metals

PRECIOUS metals and copper closed sharply lower on Jan. 4, as a currency concern hit the market. The dollar fell against the yen and the Swiss franc, leading to a general decline in the price of metals.

The London metal market was also affected, with copper falling by 0.50p and lead by 0.25p. Zinc and aluminium also fell, while iron and steel were steady.

Coal prices were also lower, with the three months' contract falling by 0.25p. Wheat and maize were steady, while sorghum fell by 0.25p.

## WOOL FUTURES

LONDON—The market was dull and featureless, reports Bache.

Australian (yesterday) 400-410, 410-420, 420-430, 430-440, 440-450, 450-460, 460-470, 470-480, 480-490, 490-500, 500-510, 510-520, 520-530, 530-540, 540-550, 550-560, 560-570, 570-580, 580-590, 590-600, 600-610, 610-620, 620-630, 630-640, 640-650, 650-660, 660-670, 670-680, 680-690, 690-700, 700-710, 710-720, 720-730, 730-740, 740-750, 750-760, 760-770, 770-780, 780-790, 790-800, 800-810, 810-820, 820-830, 830-840, 840-850, 850-860, 860-870, 870-880, 880-890, 890-900, 900-910, 910-920, 920-930, 930-940, 940-950, 950-960, 960-970, 970-980, 980-990, 990-1000, 1000-1010, 1010-1020, 1020-1030, 1030-1040, 1040-1050, 1050-1060, 1060-1070, 1070-1080, 1080-1090, 1090-1100, 1100-1110, 1110-1120, 1120-1130, 1130-1140, 1140-1150, 1150-1160, 1160-1170, 1170-1180, 1180-1190, 1190-1200, 1200-1210, 1210-1220, 1220-1230, 1230-1240, 1240-1250, 1250-1260, 1260-1270, 1270-1280, 1280-1290, 1290-1300, 1300-1310, 1310-1320, 1320-1330, 1330-1340, 1340-1350, 1350-1360, 1360-1370, 1370-1380, 1380-1390, 1390-1400, 1400-1410, 1410-1420, 1420-1430, 1430-1440, 1440-1450, 1450-1460, 1460-1470, 1470-1480, 1480-1490, 1490-1500, 1500-1510, 1510-1520, 1520-1530, 1530-1540, 1540-1550, 1550-1560, 1560-1570, 1570-1580, 1580-1590, 1590-1600, 1600-1610, 1610-1620, 1620-1630, 1630-1640, 1640-1650, 1650-1660, 1660-1670, 1670-1680, 1680-1690, 1690-1700, 1700-1710, 1710-1720, 1720-1730, 1730-1740, 1740-1750, 1750-1760, 1760-1770, 1770-1780, 1780-1790, 1790-1800, 1800-1810, 1810-1820, 1820-1830, 1830-1840, 1840-1850, 1850-1860, 1860-1870, 1870-1880, 1880-1890, 1890-1900, 1900-1910, 1910-1920, 1920-1930, 1930-1940, 1940-1950, 1950-1960, 1960-1970, 1970-1980, 1980-1990, 1990-2000, 2000-2010, 2010-2020, 2020-2030, 2030-2040, 2040-2050, 2050-2060, 2060-2070, 2070-2080, 2080-2090, 2090-2100, 2100-2110, 2110-2120, 2120-2130, 2130-2140, 2140-2150, 2150-2160, 2160-2170, 2170-2180, 2180-2190, 2190-2200, 2200-2210, 2210-2220, 2220-2230, 2230-2240, 2240-2250, 2250-2260, 2260-2270, 2270-2280, 2280-2290, 2290-2300, 2300-2310, 2310-2320, 2320-2330, 2330-2340, 2340-2350, 2350-2360, 2360-2370, 2370-2380, 2380-2390, 2390-2400, 2400-2410, 2410-2420, 2420-2430, 2430-2440, 2440-2450, 2450-2460, 2460-2470, 2470-2480, 2480-2490, 2490-2500, 2500-2510, 2510-2520, 2520-2530, 2530-2540, 2540-2550, 2550-2560, 2560-2570, 2570-2580, 2580-2590, 2590-2600, 2600-2610, 2610-2620, 2620-2630, 2630-2640, 2640-2650, 2650-2660, 2660-2670, 2670-2680, 2680-2690, 2690-2700, 2700-2710, 2710-2720, 2720-2730, 2730-2740, 2740-2750, 2750-2760, 2760-2770, 2770-2780, 2780-2790, 2790-2800, 2800-2810, 2810-2820, 2820-2830, 2830-2840, 2840-2850, 2850-2860, 2860-2870, 2870-2880, 2880-2890, 2890-2900, 2900-2910, 2910-2920, 2920-2930, 2930-2940, 2940-2950, 2950-2960, 2960-2970, 2970-2980, 2980-2990, 2990-3000, 3000-3010, 3010-3020, 3020-3030, 3030-3040, 3040-3050, 3050-3060, 3060-3070, 3070-3080, 3080-3090, 3090-3100, 3100-3110, 3110-3120, 3120-3130, 3130-3140, 3140-3150, 3150-3160, 3160-3170, 3170-3180, 3180-3190, 3190-3200, 3200-3210, 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4120-4130, 4130-4140, 4140-4150, 4150-4160, 4160-4170, 4170-4180, 4180-4190, 4190-4200, 4200-4210, 4210-4220, 4220-4230, 4230-4240, 4240-4250, 4250-4260, 4260-4270, 4270-4280, 4280-4290, 4290-4300, 4300-4310, 4310-4320, 4320-4330, 4330-4340, 4340-4350, 4350-4360, 4360-4370, 4370-4380, 4380-4390, 4390-4400, 4400-4410, 4410-4420, 4420-4430, 4430-4440, 4440-4450, 4450-4460, 4460-4470, 4470-4480, 4480-4490, 4490-4500, 4500-4510, 4510-4520, 4520-4530, 4530-4540, 4540-4550, 4550-4560, 4560-4570, 4570-4580, 4580-4590, 4590-4600, 4600-4610, 4610-4620, 4620-4630, 4630-4640, 4640-4650, 4650-4660, 4660-4670, 4670-4680, 4680-4690, 4690-4700, 4700-4710, 4710-4720, 4720-4730, 4730-4740, 4740-4750, 4750-4760, 4760-4770, 4770-4780, 4780-4790, 4790-4800, 4800-4810, 4810-4820, 4820-4830, 4830-4840, 4840-4850, 4850-4860, 4860-4870, 4870-4880, 4880-4890, 4890-4900, 4900-4910, 4910-4920, 4920-4930, 4930-4940, 4940-4950, 4950-4960, 4960-4970, 4970-4980, 4980-4990, 4990-5000, 5000-5010, 5010-5020, 5020-5030, 5030-5040, 5040-5050, 5050-5060, 5060-5070, 5070-5080, 5080-5090, 5090-5100, 5100-5110, 5110-5120, 5120-5130, 5130-5140, 5140-5150, 5150-5160, 5160-5170, 5170-5180, 5180-5190, 5190-5200, 5200-5210, 5210-5220, 5220-5230, 5230-5240, 5240-5250, 5250-5260, 5260-5270, 5270-5280, 5280-5290, 5290-5300, 5300-5310, 5310-5320, 5320-5330, 5330-5340, 5340-5350, 5350-5360, 5360-5370, 5370-5380, 5380-5390, 5390-5400, 5400-5410, 5410-5420, 5420-5430, 5430-5440, 5440-5450, 5450-5460, 5460-5470, 5470-5480, 5480-5490, 5490-5500, 5500-5510, 5510-5520, 5520-5530, 5530-5540, 5540-5550, 5550-5560, 5560-5570, 5570-5580, 5580-5590, 5590-5600, 5600-5610, 5610-5620, 5620-5630, 5630-5640, 5640-5650, 5650-5660, 5660-5670, 5670-5680, 5680-5690, 5690-5700, 5700-5710, 5710-5720, 5720-5730, 5730-5740, 5740-5750, 5750-5760, 5760-5770, 5770-5780, 5780-5790, 5790-5800, 5800-5810, 5810-5820, 5820-5830, 5830-5840, 5840-5850, 5850-5860, 5860-5870, 5870-5880, 5880-5890, 5890-5900, 5900-5910, 5910-5920, 5920-5930, 5930-5940, 5940-5950, 5950-5960, 5960-5970, 5970-5980, 5980-5990, 5990-6000, 6000-6010, 6010-6020, 6020-6030, 6030-6040, 6040-6050, 6050-6060, 6060-6070, 6070-6080, 6080-6090, 6090-6100, 6100-6110, 6110-6120, 6120-6130, 6130-6140, 6140-6150, 6150-6160, 6160-6170, 6170-6180, 6180-6190, 6190-6200, 6200-6210, 6210-6220, 6220-6230, 6230-6240, 6240-6250, 6250-6260, 6260-6270, 6270-6280, 6280-6290, 6290-6300, 6300-6310, 6310-6320, 6320-6330, 6330-6340, 6340-6350, 6350-6360, 6360-6370, 6370-6380, 6380-6390, 6390-6400, 6400-6410, 6410-6420, 6420-6430, 6430-6440, 6440-6450, 6450-6460, 6460-6470, 6470-6480, 6480-6490, 6490-6500, 6500-6510, 6510-6520, 6520-6530, 6530-6540, 6540-6550, 6550-6560, 6560-6570, 6570-6580, 6580-6590, 6590-6600, 6600-6610,

## STOCK EXCHANGE REPORT

# British Funds turn easier after early further gains

## Leaders steady but second-line equities attract buyers

**Account Dealing Dates**  
**Option**  
 "First Declared Last Account  
 Dealings Date Dealings Day  
 Dec. 22 Dec. 29 Dec. 30 Jan. 11  
 Jan. 3 Jan. 12 Jan. 13 Feb. 7  
 Jan. 16 Jan. 26 Jan. 27 Feb. 7  
 "New time" dealing dates start  
 from 9.30 a.m. two business days earlier.

Trade picked up slightly in stock markets yesterday with official markings, 4.747, at the average, 4.212 in mid-November. Gilt-edged improved at first in line with sterling's further rise on foreign exchange markets but reacted to end with net falls—generally to 1% in the shorts and to double that amount in the longs—and the Government Securities index gave up 0.22 at 73.36.

The early enthusiasm in Gilts was again reflecting optimism about a cut in Minimum Lending Rate after tomorrow's tender for 3-month Treasury Bills, and the Bank of England's signal for moderation in this respect served to lower yields to a cut of 1% in the key rate. The U.S. reserve figures were much as expected, the later falls in the Funds stemming from sales to finance take-up of short tap Exchequer 81 per cent. 1981 following notification that official supplies had run out after only ten days in the 1980m.

A further fall, of 3 1/2 to 2 1/2 per cent., in the investment dollar premium caused numerous falls in overseas issues securities, but all as seen in the 2-4-1 majority of rises over falls in FT-quoted stocks.

Leading Industrials were generally neglected and the FT 30-share index, 3.2 up to 1978, ended with a net rise of only 2.2 at 487.8; price changes in the constituents were usually restricted to a couple of pence. Similarly, movements in the FT-Actuaries three main indices were minimal; cheaper money hoped led to above-average gains in Properties and Hire Purchase issues, while Life Insurance attracted buyers.

The last mentioned saw high levels of new business written in 1977 and hopes of a continuation of the trend.

**Short tap exhausted**

Exhaustion of the short tap eventually signalled a general reaction in gilt-edged which after recording gains of 1 to 1 1/2 at the longer end, closed that amount down on balance and were heading lower still in late unofficial dealings. This technical movement was blamed on over-enthusiasm for the tap, Exchequer 81 per cent. 1981 which surrendered a marginal improvement around 4 to 5% in response to the L. and R. Johnson-Richards Tills, better than expected annual

both the shorts and the longs as recent profits were taken in order to fund tap commitments. The Bank of England signal regarding Minimum Lending Rate failed to restore equilibrium to the market which also became concerned about possible replacement tap issues. Corporations improved 3 in places while Southern Rhodesian bonds edged quietly forward awaiting developments in the current peace talks.

Although still highly volatile, the investment currency market experienced a brief but for some considerable time. Early rates were lower because of sterling's opening flurry but they rallied before heavy selling brought renewed pressure on the fall to 67 per cent. prior to a close of 68 1/2 per cent.; this represented a fresh loss of 3 1/2 points over the day and nearly 24 points over the last five trading days. Yesterday's SE conversion factor was 0.7902 (0.7899).

**Prudential firm**

A Press prediction that the life assurance sector is equipping itself for an outstanding year for new business in 1978, added a fair amount of support for shares in this category. Prudential gained 8 to 16 1/2 at 100p, General to 17 1/2, while Pearl rose 2 1/2 to 24 1/2 and Sun Life 3 to 10 1/2. Equity and Life hardened 4 to 12 1/2. Composites made progress in sympathy with Sun Alliance closing 12 to the good at 59 1/2 and 12 1/2 to 13 1/2. Brokers on the other hand, turned dull on concern about the effects rising sterling may have on overseas earnings. Sedgwick Forbes shed 1 1/2 to 10 1/2, while Hogg Robinsons declined 8 to 17 1/2. Matthews Wrightson lost 7 to 13 1/2 as did Alexander Howden, to 16 1/2.

The Banking sector was again notable only for fresh weakness in overseas issues, following a further reaction in the investment currency premium. In active trading, Hongkong and Shanghai fell 10 more to 23 1/2; ANZ, the suspended 13 to 23 1/2, while National Bank of Australasia gave up 13 to 17 1/2. In contrast, Home Bank closed quietly firm with 10 1/2, and NatWest both 2 dearer at the common level of 28 1/2. The Demeter 8 to the good at 8 1/2, F.C. Finance 8 to the good at 8 1/2, and Hire Purchase.

Brewery leaders were inclined easier, Allied closing a shade off at 59 1/2 in front of to-day's results. A further reaction in the investment currency premium, in active trading, Hongkong and Shanghai fell 10 more to 23 1/2; ANZ, the suspended 13 to 23 1/2, while National Bank of Australasia gave up 13 to 17 1/2. In contrast, Home Bank closed quietly firm with 10 1/2, and NatWest both 2 dearer at the common level of 28 1/2. The Demeter 8 to the good at 8 1/2, F.C. Finance 8 to the good at 8 1/2, and Hire Purchase.

Selective support was forthcoming for Buildings where Wilson (Connolly) were especially notable for a gain of 17 to 12 1/2 following a further reaction in the investment currency premium, in active trading, Hongkong and Shanghai fell 10 more to 23 1/2; ANZ, the suspended 13 to 23 1/2, while National Bank of Australasia gave up 13 to 17 1/2. In contrast, Home Bank closed quietly firm with 10 1/2, and NatWest both 2 dearer at the common level of 28 1/2. The Demeter 8 to the good at 8 1/2, F.C. Finance 8 to the good at 8 1/2, and Hire Purchase.

The Engineering majors passed a rather quiet session, but ended on a slightly firmer bias. Elsewhere, Rodman Heenan improved 3 1/2 to 54 1/2 following the encouraging annual report and T. W. Ward gained 4 to 59 1/2 in response to the L. and R. Johnson-Richards Tills, better than expected annual

340p, Leyland Paint and Wallpaper, 32p, and IDC, 108p. McNeill Group were also 4 to the good at 44p and Francis Parker 2 1/2 better at 15. Still reflecting investment recommendations for 1978, AF Cement improved 3 more to 26 1/2 and London Brick 2 to 76p. An early rally by YCI soon faded, the price falling from 35 1/2 to end a net 3 lower at 34 1/2. Elsewhere in Chemicals, Algate Industries shed 5 to 29 1/2.

**Stores wanted**

Stores maintained a firm appearance with secondary stocks providing the features. Speculative buying in a thin market prompted

results. Eya Industries came to life with a gain of 4 1/2 to 10 1/2 along with Wolsey-Hughes, which gained 6 to 12 1/2. Westland closed 3 dearer at 43 1/2 awaiting the preliminary figures. Baker Perkins also firmed 3 to 10 1/2, but Masagosa Bronze, down 2 at 86p, encountered profit-taking after the recent good rise. Interest in the Food sector broadened a little. Associated Biscuits continued firmly at 82p, up 1 while similar improvements were established in J. B. 1977, Meat Trade Suppliers, 91p, and Robertson Foods, 136p. Avana Group were a reasonably lively market at 31 1/2, up 2 1/2. In this

ended 5 better at 69p. Press comment drew buyers' attention to R. H. Cole which added 4 to 12 1/2 and LCP which added 4 to 9 1/2. Speculative interest lifted Rubber 5 to 16 1/2, while Kirkman Midlands ended a like amount better at 80p. By way of contrast, Leigh Interests met profit-taking and lost 8 to 17 1/2, and continuing consideration of the weakening investment currency premium, Schlumberger shed 21 points to 44 1/2 and Jardine 37p to 34 1/2.

A better trade developed in the Motor sections where some useful gains were recorded. Fiatons were noteworthy for a rise of 7 to 12 1/2, while Zenith A, an old speculative favourite, encountered support and put on 6 to 10 1/2. Supra continued firmly at 36p, up 3. Among Garages and Distributors, C. Davis advanced 4 to 8 1/2 and Manchester 8 to 31 1/2, but Henrys continued to reflect fading bid hopes and shed 3 more to 11 1/2.

North Sea oil enthusiasm arose again for Associated Newspapers, 166p, and Daily Mail A, 588p, while rose 9 and 13 respectively while Thomson, additionally helped by share split hopes, closed 9 higher at 710p. Elsewhere, Independent Newspapers rose 10 to 15 1/2 while, among Paper/Printings, Mills and Allen moved forward 3 more to 11 1/2 and Watmoughs added 4 to 8 1/2. Ogilvy and Mather, on the other hand, cheapened 2 1/2 on investment premium influences.

**Properties busy**

Properties gathered momentum again as hopes strengthened of an imminent fall in interest rates. Activity was considerable with institutional business evident in Land Securities, up 4 to 23 1/2, after a rise to 22 1/2, and Estates, which rose to 25 1/2, after 23 1/2. MEPC picked up 2 to 12 1/2, while revived bid speculation raised Bernard Sunley 8 to 19 1/2. Gains of 5 were also seen in Berkeleys, Hambro, 11 1/2, and Bradford, 22 1/2, and in thin markets, United Real were adjusted 10 higher to 25 1/2 and Corn Exchange up 8 to 16 1/2. Still reflecting the revised higher interest profile, the result of the increase in income being derived from the Walton Works property—Evans of Leeds advanced 7 further to 200p. New 1977/78 peaks were attained by many issues but not by Avenue Close, 3 1/2 dearer at 7 1/2, or Law Land, 3 1/2 better at 50p. Option business was reported in English, 47p, British Land, 37p, and Capital and Counties, 50p.

Premium dollar influences continued to affect overseas Gilts, lowering Royal Dutch 13 more to 23 1/2, and Anglo-Siam 15 to 17 1/2. Elsewhere, Canada's Minto Explorations soared 20 to 90p following news of the U.S. oil and gas find.

**Rank Org. up**

A former trend developed in the miscellaneous industrial majors but the volume of business was small. Buying ahead of the preliminary results due on January 23 helped Rank Organisation stand out with a gain of 8 to 23 1/2, while Reed International added 2 to 13 1/2 with the help of Press comment. Bewater hardened 4 to 18 1/2 and Glaxo 3 to 59 1/2. Beecham, however, closed 2 dearer at 67 1/2. Some useful gains in the miscellaneous industrial majors but the volume of business was small. Buying ahead of the preliminary results due on January 23 helped Rank Organisation stand out with a gain of 8 to 23 1/2, while Reed International added 2 to 13 1/2 with the help of Press comment. Bewater hardened 4 to 18 1/2 and Glaxo 3 to 59 1/2. Beecham, however, closed 2 dearer at 67 1/2. Some useful gains in the miscellaneous industrial majors but the volume of business was small. 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## AUTHORISED UNIT TRUSTS

[illegible]

## OFFSHORE AND OVERSEAS FUNDS

[illegible]

## INSURANCE, PROPERTY, BONDS

[illegible]

## NOTES

include 5 premium, except where  
are in place unless otherwise  
also a premium in last column)  
paying expenses. Offered prices  
expenses. \* Today's prices  
on offer price. \* Estimated  
saling price. \* Distribution fees  
\* Periodic premium insurance  
single premium insurance.  
includes all expenses except  
santa. \* Offered price includes  
if bought through managers.  
or's price. \* Net of tax on  
all gains unless indicated by o.  
nces. \* Sub-graded. \* Yield

**CLIVE INVESTMENTS LIMITED**  
1 Royal Exchange Ave., London ECSV 3LU. Tel. 01-283 1101  
Index Guide as at 6th December, 1977 (Base 100 at 14.1.77.)

Clive Fixed Interest Capital .....	135.19
Clive Fixed Interest Income .....	128.03

CORAL INDEX: Close 484-485

## INSURANCE BASE RATES

† Property Growth .....	5½%
Cannon Assurance .....	4½%

† Address shown under Insurance and Property Bond Table.

## BASE LENDING RATES

A.B.N. Bank	7 1/2	■ Hill Samuel	7 1/2
Alien Irish Banks Ltd.	7 1/2	C. Hoare & Co.	7 1/2
American Express Bk.	7 1/2	Julian S. Hodge	8 1/2
Amro Bank	7 1/2	Hongkong & Shanghai	7 1/2
A.P. Bank Ltd.	7 1/2	Industrial Bk. of Scot.	7 1/2
Henry Ansbacher	7 1/2	Keyser Ullmann	7 1/2
B. Baur & Co.	7 1/2	K. Kewley & Co. Ltd.	7 1/2
Bank of Credit & Comce.	7 1/2	Lloyds Bank	7 1/2
Bank of Cyprus	7 1/2	London & European	8 1/2
Bank of N.S.W.	7 1/2	London Mercantile	7 1/2
Banque Belge Ltd.	7 1/2	Midland Bank	6 3/4
Banque du Rhone	8 1/2	■ Samuel Montagu	8 1/2
Barclays Bank	8 1/2	Morgan Grenfell	7 1/2
Banco de Portugal	8 1/2	National Westminster	7 1/2
Brennar Holdings Ltd.	8 1/2	Norfolk & Norwich Trust	7 1/2
Brit. Bank of Mid. East.	7 1/2	P. S. Refson & Co.	7 1/2
Brown Shipley	7 1/2	Rossminster Acceptcs	7 1/2
Canada Permanent A.P.	7 1/2	Royal Bk. Canada Trust	7 1/2
Capital & C. Fdn. Ltd.	7 1/2	Schlesinger Limited	7 1/2
Cash & Co.	7 1/2	E. S. Schwab	9 1/2
Cedex Holding	7 1/2	Security Trust Co. Ltd.	8 1/2
■ Charterhouse Japmet	7 1/2	Shenley Trust	7 1/2
C. E. Coates	8 1/2	Standard Chartered	7 1/2
Consolidated Credits	7 1/2	Trade Dev. Bank	7 1/2
Co-operative Bank	7 1/2	Trustee Savings Bank	7 1/2
Coventry Societies	7 1/2	Twentieth Century Bk.	8 1/2
Credit Lyonnais	7 1/2	United Bank of Kuwait	7 1/2
Duncan Lawrie	7 1/2	W. & A. Morgan	7 1/2
Engst Trust	7 1/2	Williams & Glyn's	7 1/2
English Transcont.	8 1/2	Yorkshire Bank	7 1/2
First London Secs.	7 1/2	■ Members of the Accepting Homes	
First Nat. Secs. Ltd.	9 1/2	Committee.	
First Nat. Fin. Corp'n.	9 1/2	1-day deposits 4 1/2, 3-month deposits 4 1/2	
■ Anthony Gibbs	7 1/2	1-year deposits on basis of £10,000 and under 4 1/2, up to £25,000 4 1/2, and over £25,000 5 1/2	
Bank of Durban	7 1/2	2 Call deposits over £1,000 4 1/2	
Greyhound Guaranty	7 1/2	1 Demand deposits 4 1/2.	
Grindlays Bank	7 1/2	1 Rate also applies to Sterling ind.	
■ Guinness Mahon	7 1/2		
■ Hambros Bank	7 1/2		

## PUBLIC NOTICES

## EEC FOOD AID PROGRAMME

**Disposal of 2,500 tonnes Skimmed Milk Powder  
ex. Intervention Stocks to India under  
Regulation (EEC) 2852/77.**

The Intervention Board for Agricultural Produce invites tenders from companies established in the Community for the removal, between 26th February and 31st March 1982, of 2,500 tonnes of Skimmed Milk Powder in sacks from Alptrausd International Group Ltd., Curran Road, Curran's Trading Estate, Cardiff, to a Community port for collection by the Indian Government.

Forms of tender are available from the Intervention Board for Agricultural Produce, Branch C, Internal Market Division, at Fountain House, 2 West Mall, Reading RG1 7QW. Telephone: 0734 343300.

Tenders must be received by 12.00 hours on Monday, 29 January, 1982. A notice has also been published in the official Journal of the European Communities.

**FT SHARE INFORMATION SERVICE****ENGINEERING—Continued**[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

17	74	Howard Thomas	219	12	1	21	1
18	75	Bamberg Anne	219	12	1	21	1
19	76	Wright Robert	219	12	1	21	1
20	77	Wright Robert	219	12	1	21	1
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22	79	Wright Robert	219	12	1	21	1
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30

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# FINANCIAL TIMES

Thursday January 5 1978

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## Pay policies likely to stay—Barnett

BY RUPERT CORNWELL, LOBBY CORRESPONDENT

MR. JOEL BARNETT, the Chief Secretary to the Treasury, insisted last night that the Government must have a policy for the growth of earnings well below 10 per cent.

His remarks are perhaps the most explicit so far from a Cabinet Minister as to the Government's wage control policy, and seem bound to upset Left-wingers and trades unions by their resounding rejection of any return to free collective bargaining.

Already, Mr. Denis Healey, the Chancellor of the Exchequer, has indicated a preference for some form of pay guideline when this round expires at the end of the summer. While last week-end, Mr. James Callaghan, the Prime Minister, hinted strongly at a 5 per cent goal for pay and prices in 1978.

Mr. Barnett told a Labour Party meeting in his Lancashire constituency that there was absolutely no question of introducing statutory measures. But he emphasised, "the Government must have a policy for the growth of earnings well below 10 per cent."

He said: "Whatever that turns out to be, if we are to bring our rate of price inflation down to the level of our international competitors and keep it there, the overall growth in earnings in the next round would have to be well below 10 per cent."

To allow wages to be settled by free collective bargaining would be to "ignore reality." It was "nonsense" to talk about free collective bargaining in the public sector, where the Government was directly concerned as an employer, as a magical solution to the problem.

Mr. Barnett left no doubt that he sees an extension of pay curbs as essential if the Government's economic strategy is to achieve long-term success—with its combination of firm monetary control with tax cuts, and maintained or improved public services.

"If public sector wages take a bigger share of the national cake, then if we are not simply to finance inflation by printing money as our predecessors did in 1973-74, the consequences are clear," he argued.

As surely as night follows day, so excessive public sector pay settlements must be followed by cuts in public services. The alternative of financing higher public sector wages from higher taxation is not open to us."

Tory thinking was also spelt out yesterday by Mr. Norman Lamont, MP for Kingston-on-Thames, and an Opposition industry spokesman, but he avoided any reference to pay policy, present or future.

Instead to boost industry and reduce unemployment, a Conservative government would work to encourage increased company profitability, cut income tax, and give special priority to small businesses, he told a Liverpool meeting.

Rodgers speech, Page 6

## Post Office participation experiment launched

BY JOHN LLOYD

THE FIRST full-blooded experiment in industrial democracy in a British State industry was officially launched yesterday when the 19-strong Post Office Board was unveiled.

The Board contains seven worker-directors, seven management directors and five independent directors, including two who represent the consumer interest.

Introducing the new Board members, Mr. Eric Varley, Secretary of State for Industry, said: "They face a challenge which is in every sense of the word an epoch-making one."

Sir William Barlow, Post Office chairman, said that four years ago, he had made a speech in which he had said that industrial democracy was a premature idea.

"But now, in the Post Office, the ground is well prepared for this experiment. I made it clear to the Secretary of State when I took the job that I looked forward to working with the new Board with enthusiasm."

Mr. Fred Moss, one of the two worker-directors elected by the Union of Post Office Workers and the union's General Treasurer, said that he saw no conflict of interest between his union and Board functions.

"I want to approach my work on the Board as a union member, as a director and as a consumer," he said.

The structure of the Board has been thrashed out over the past three years in discussions between unions, Post Office and Government.

In composition, it is very close to the "2X plus Y" formula recommended by the Bullock Committee (an equal number of management and employee directors, plus independent members holding the balance), but was arrived at independently of Bullock's deliberations.

The two consumer representatives, named yesterday for the first time, are Mrs. Janice Walsh, 29, manager of the Islington Consumer Advice Centre, and Lord Winstanley, 59, a Liberal peer and formerly Liberal MP for Cheadle and Hazel Grove.

Lord Winstanley also presents a consumers' advice programme for Granada Television.

Two other independent members are Mr. Derek Gladwin, regional secretary of the General and Municipal Workers Union, who has been a part-time Board member since 1973; and Mr. Peter Walters, 46, a managing director of British Petroleum and chairman of BP Chemicals. A fifth independent member has still to be announced.

The experiment will last for two years from its official inception.

Sir William Barlow said that one of the first pieces of paper he would lay before the new Board would be a number of criteria for measuring the Board's efficiency.

These criteria would enable the members to determine, on an objective basis, whether or not the Board was working well.

Picture and full Board, Page 6

## EEC concerned about British employment subsidies

BY ALAN PIKE, LABOUR CORRESPONDENT

MINISTERS will next week discuss the future of the Government's special measures to alleviate unemployment against a background of EEC Commission concern about the operation of one of the most important schemes, the Temporary Employment Subsidy.

The Commission has written to the British Government asking for its comments on TES by January 23, following a complaint from another member state that the scheme is having a distorting effect on competition.

The complaints are understood to concern the precise areas where the subsidy has been most effective in maintaining jobs—textiles, clothing and shoes.

In the letter, Commission officials suggest that the EEC should have prior notification when the subsidy is used on a wide scale—believed to be in the case of 100 or more workers—with the Commission holding a power of veto.

With the TES and some other existing job support measures due to expire at the end of March, the Commission's inquiries about the existing scheme are to some extent academic.

However, the EEC has also asked the British Government to supply details of any new subsidy arrangements which it intends to introduce by the end of January and it is expected that these will be subjected to the same scrutiny.

Although final decisions have not yet been taken, there can be little doubt that the Government is planning a successor to TES which, since its introduction in August, 1975, has done more than any other scheme to keep adult workers off the unemployment registers.

To date, TES has supported the jobs of nearly 385,000 people at a cost of £242m. It takes the form of a £20-per-week payment to employers for every worker who would otherwise have to be made redundant, followed in some cases by a £10 per week payment for a period after which the subsidy would normally have expired.

The overall intention of the scheme is to give a company a breathing space in the hope that it will be able to avoid redundancies after the subsidy period has ended.

Ministers and officials will next week consider the future of all existing schemes, including the small, but original, Small Firms Employment Subsidy under which companies are paid a subsidy to take on extra labour.

The letter from the Commission will be considered and discussions with EEC officials in advance of the meetings are possible.

● The payment of Temporary Employment Subsidies is being delayed after an "unexpectedly high" number of applications.

This has led to a backlog affecting 71,000 employees in 948 companies where applications are pending. Additional staff have been taken on and redeployed at regional offices. Processing of applications should take four weeks.

Some applications now are taking two months with the worst effects in the south-east. The north-west is said to be "on top" of its applications.

In fact, while the number of applications is at a record level, the rate of increase of new applicants is slowing.

## State cash for windmill power

BY DAVID FISLOCK, SCIENCE EDITOR

A GOVERNMENT scheme to spend several million pounds on a giant windmill as a full-scale demonstration of the latest advances in aerodynamics is taking shape in the Department of Energy.

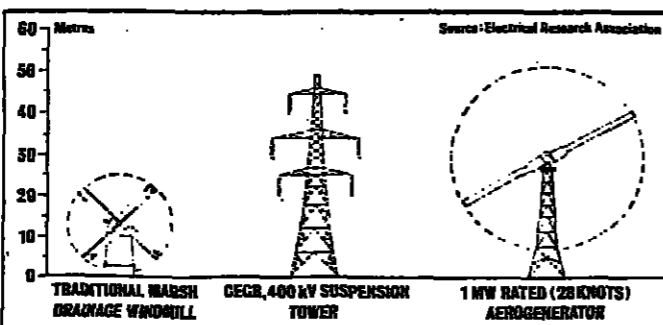
Such a windmill would be taller than the highest U.K. electricity transmission towers—a 400 ft tower is about 160 feet high—and generate perhaps 3-4 MW. The project is contemplated as the Energy Department's response to persistent pressures from eminent advocates of windpower, among them Sir Martin Ryle, the Nobel prize-winning radio-astronomer.

The fundamental questions such a demonstration could resolve are at what cost past design weaknesses can now be overcome; and to what extent big windmills will intrude on the environment—in their appearance, noise, interference with TV and micro-wave transmissions, and as a hazard to people and wildlife.

Government estimates put the capital cost of enough aerogenerators to equal the output of a single nuclear power station (a typical figure would be 1,300 MW) at about £1.1bn. At least twice the cost of the nuclear station.

The Energy Department is already supporting the development of two possible configurations of aerogenerators. Last week it announced aid of £52,000 for experiments with a vertical axis machine designed at the University of Reading. They include structural studies by Taylor Woodrow Construction and wind-tunnel experiments by the British Aircraft Corporation.

Last summer the department provided £75,000 towards a £160,000 cost of a large horizontal-axis machine, undertaken by a consortium which includes British Aerospace and the two Scottish electricity utilities. The Electrical Research Association, which heads this consortium, has identified more than 1,000 potential hill sites for big aerogenerators.



## U.S. and Egypt near to accord on peace aims

BY ROGER MATTHEWS

ASWAN, Jan. 4

THE U.S. AND EGYPT appeared to edge closer towards a common view on Middle East peace aims after the brief meeting here today between President Carter and President Sadat.

Mr. Carter, in a carefully-worded statement, repeated the phrase on the Palestinian issue which had caused such distress to the Israeli Government at the beginning of October: "The problem must recognise the legitimate rights of the Palestinian people and enable the Palestinians to participate in the determination of their own future."

According to U.S. officials accompanying Mr. Carter, this was only a half's breadth from admitting the right of the Palestinians to their own self-determination. An Egyptian demand firmly reiterated by Israel's Prime Minister Begin at his Christmas Day meeting with President Sadat, and again this afternoon.

The phrase "legitimate rights of the Palestinians" was first used by an American in the joint U.S.-Soviet statement on the Middle East last October which brought an irate Moshe Dayan, the Israeli Foreign Minister, hurrying to New York for talks with Mr. Carter.

Mr. Sadat declared after their 45 minutes of talks: "I am very happy to say that our views were identical and we have agreed upon certain steps to keep up the momentum of the peace process."

What these steps are, he did not reveal but it is understood that they relate to the Egyptian-Israeli political committee which is due to meet for the first time in Jerusalem on January 15 with U.S. participation.

There were certain principles that must be observed if a just and comprehensive peace was to be observed, Mr. Carter replied. First, he said, peace must be based on normal relations among the parties to the peace. Peace meant more than just an end to belligerency.

Second, there had to be a withdrawal by Israel "from territories occupied in 1967 and agreement on secure and recognised borders."

Third, he emphasised the necessity of finding a resolution of the Palestinian problem in all its aspects.

One of the next steps both parties are anxious to achieve is the active participation of King Hussein of Jordan in the peace process.

Lennon reports from Tel-Aviv: Mr. Begin said today that after President Carter had telephoned him it was clear that the American leader still regarded the Israeli peace plan as a good basis for negotiations.

Mr. Begin also said he was "glad that the term Palestinian State was not mentioned at Aswan, either by President Sadat or by President Carter."

Speaking to reporters shortly after the telephone briefing by President Carter, Mr. Begin said: "There cannot be any self-determination for the Palestinian Arabs."

Carter in France Page 2

## Non-pay emphasis in firemen's talks

BY ALAN PIKE, LABOUR CORRESPONDENT

A SECOND day of talks which may bring the seven-week long firemen's strike closer to solution was still in progress last night.

The Fire Brigades' Union executive spent all day at the Home Office considering the proposed new pay formula which would take firemen's wages into account the manual workers in industry by November 1979.

Most of the day was spent with the two sides in separate rooms and it appeared that, following the firm declaration by Mr. Merlyn Rees, the Home Secretary, on Wednesday that the firemen would not be allowed to break the Government's pay guidelines, that discussions were concentrating on non-pay aspects.

Mr. Brian Rusbridge, Secretary of the local authority employers, said at the start of yesterday's talks that the negotiators would "flog on until we find a solution."

Progress is proving slow, but it is expected that at the end of the discussions with the employers the FBUE executive will discuss whether it should recall its conference.

This will be a most difficult decision to reach. The strike is under demands for more money immediately and tests of opinion among firemen have indicated so far that they do not favour end-break the Government's pay guidelines, that discussions were

Continued from Page 1

## £ falls in New York

Finished 0.1 higher at 66.2 after a peak of 66.6.

● The announcement of an increase of 183p in the U.K. official reserves in December to £2,550m, compared with £2,367m at the start of 1977, after adjusting for borrowing and debt repayment, the underlying increase last month was £257m, mainly reflecting the current account surplus and showing the absence of any significant effect on the demand for sterling.

● A clear indication by the Bank of England that it wants to restrain the downward pressure on short-term interest rates. This was interpreted by the money market as a decline in Minimum Lending Rate of no more than half a point to 6½ per cent after tomorrow's tender. A further, more specific signal may be given by the demand for sterling could raise doubts about a cut. But if MLR is cut by this amount the pressures will increase for a realignment of the clearing banks' base rates and for a decision next week on the building societies to reduce mortgage rates by between 1 and 2 point from the present 9½ per cent.

● The exhaustion of the £900m, short-dated tap stock first offered on December 15 following strong demand in the morning. This leaves the authorities without any gilt-edged tap and there will be close market interest to see if new stocks are issued either tomorrow or next week.

Conditions in both domestic and international money markets remain nervous and volatile. If the demand for sterling persists, the Government faces a growing dilemma in view of the threat to the competitiveness of exports. While some Ministers and officials welcome a rising exchange rate, even those who are unhappy about the extent of the recent rise—34 per cent on the trade-weighted index since the start of 1977—are undecided about how to respond.

A sharp cut in interest rates is ruled out because of the impact on the growth of the money supply and the belief that this might have little effect on the demand. Significant official intervention to hold the rate, as in September and October, is also not seen as a way out, for the same reasons.

There has been considerable market speculation about a possible revival of controls on outward flows, as in 1971, but at present, these are not regarded as appropriate since they have been, and are, frequently ineffective. A further relaxation of controls on outward investment is seen as impracticable for political reasons.

John Elliott, Industrial Editor, writes: The Chancellor of the Exchequer yesterday failed to reassure leading industrialists who warned that the rising pound will hit exports. He was told of the industrialists' concern during the monthly meeting of the National Economic Development Council by representatives of the CBI.

Mr. Healey replied that he recognised the problems involved for some industries in competing abroad at a higher rate of exchange.

But he stressed that the main requirement for industry was to improve its competitiveness by lowering unit labour costs and so boosting productivity. Thus, he said, was a primary aim of the industrial strategy which was being discussed at the meeting.

Continued from Page 1

## U.S. acts on dollar

to be welcomed in the West January 12 and 13 for further German banking community, talks on ways to reduce the where there have been increasing vocal complaints that the policy of the Administration was confined to "benign neglect."

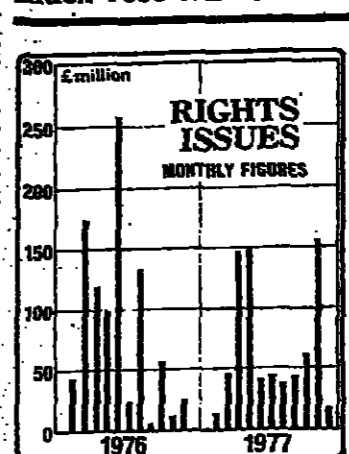
Behind these complaints, Mr. Strauss said that he would only go to Tokyo if there were concrete signs that such a trip would be worthwhile.

Thus, in electing to go now, Mr. Strauss may have received intimations from Tokyo of some advances on the previous Japanese position,

THE LEX COLUMN

## The shadow of the dollar

Index rose 2.2 to 487.8



One safe prediction for 1978 was that the U.K.'s domestic financial markets would have to contend with the destabilising influence of the dollar, and this message is coming through with a vengeance in the first week of the New Year. Yesterday morning sterling came within a whisker of £2 in London at one stage, but then profit taking set in, and by late last night, following the unveiling of the U.S. Administration's aggressive new intervention policy, quotes in New York of well below \$1.90 were reported. This dramatic turn-around comes at a moment when the gilt-edged market is being buoyed up by the strength of sterling and by the prospects of lower interest rates. The money market, for instance, was yesterday interpreting the Bank of England's signal to the discount houses as a go-ahead for a half-point drop in Minimum Lending Rate tomorrow.

The Bank will have to decide today whether its signal should be changed in the light of the latest turn of events. In one sense the Government will be relieved: speculative inflows should be abruptly cut off, and there will be less need to search for complicated means to hold sterling down. If anyone were fearing that further money supply problems would follow an attempt to repeg sterling, that danger has receded.

But the gilt-edged market faces a short term problem of indigestion. Yesterday a number of buyers underestimated the residual amount of the short tap Exchequer 8½ per cent 1981 remaining in the Government broker's hands; and they received embarrassingly large allotments of stock. And next Monday holders of the partly paid Treasury 10½ per cent 1999 are due to pay a £320m call. In these circumstances the authorities may decide to wait at least a week before launching yet another tap upon a market overshadowed by currency turmoil.

ICL

The purchase of the Singer businesses appears to have been an extremely profitable deal for ICL, to judge by its latest accounts. The cost was £19m, largely in respect of resaleable inventory, and most of it will be paid for in equal instalments over the next three years.

ICL is still being coy about the actual profits contribution. But

it says that the annual payments will be more than covered by the cash generated from the assets. And it admits that the pre-tax margin on the near-£70m. of Singer's sales is broadly in line with that of its original businesses (around 7 per cent.). So it is clear that a significant part of the £7m. rise in group profits ahead of last year came from this source.

Another feature of the accounts is a further fall in sales to U.K. leasing companies—which in two years have dropped from 20 to 10 per cent. of group turnover—and a continued build-up in ICL's own rented business. This now accounts for nearly half its turnover, and is obviously a much more stable profits base.

Issues

After the usual seasonal lull the new issue queue seems to be filling up again, although it is far from packed. Historically, the peak season is between March and July and at present it looks as if some dates as far ahead as April have been booked with the Government broker. These work out at perhaps two-a-month, starting with January—where the first issue could emerge within the next two weeks.

With one or two exceptions, all of the issues so far booked are likely to be rights issues, and a few are thought to be fairly substantial. However, it is unlikely that total rights issues for the year will exceed the £773m. raised in 1977, which, like the previous year, showed a drop on the record £1.2bn. raised in 1975.

Once again there will be speculation over whether any of

the clearing banks will tap the market in February and whether any debenture issues will be launched: it is being suggested that at least one of the latter may be on the cards. As far as new flotations are concerned, it looks as if the 1977 pattern will be repeated with only a few widely dispersed offers for sale and introductions. One of these may already be in the queue.

Company finance directors could also be considering the possibilities of making a sterling Eurobond issue. The merchant banks will be particularly keen to revive sterling Eurobonds as this will be one way of restoring some of their status in the international bond markets. But the banks will have to find some way of avoiding the rush of last time when six issues worth £120m. were made within four weeks. It is now thought that two £20m. issues per month is as much as the market can take. It seems, however, that the merchant banks have not yet been able to agree among themselves on arrangements for a queue, which presumably would be organised by the Bank of England.

Westland

Not only did Westland Aircraft run last year into the productivity problems on Lynx assembly reported at the interim stage, but it has also undercosted lengthening work being carried out on two hovercraft owned by British Rail. So provisions of £8.5m. have been made against 1976-77 profits to cover these two problem areas, leading to a sharp drop from £9.34m. to £5.84m. at the pre-tax level. Within this total there is a £2.2m. drop to £4m. in trading profits on hovercraft, and the hovercraft surplus is down by more than half to £1m., while interest charges are almost doubled to just under £3m.

But there is at least one item of good news for shareholders: with the total dividend raised by the maximum 10 per cent. to give a yield of 11.5 per cent. at 43p. And although Westland is not making any specific forecasts about the current year an improving order-book and rising Lynx output rates should ensure the absence of further provisions. But after recent ups and downs Westland is bound to take a while to rebuild its stock market image.

## Weather

**U.K. TO-DAY**  
CLOUDY with rain. Sunny spells. London, S.E. Cent. S. E. Eng. 11-15. N. Eng. 10-14. Midlands 10-14. Wales 10-14. N. Wales 10-14. S. Wales 10-14. Channel Islands, S.W. England, S. Wales 10-14. N. Wales, N.W. England, Lake District, Isle of Man, S.W. Scotland 10-14. Rain. Bright intervals later. Central, N.E. England, Borders, Rest of Scotland 10-14. Rain or sleet. Brighter, mainly dry later. Normal. Max. 7C (45F). Outlook: Mostly dry in S., more rain in N.

## BUSINESS CENTRES

City	Y'day	Mid-day	Y'day	Mid-day
Amsterdam	10.15	10.15	10.15	10.15
Antwerp	10.15	10.15	10.15	10.15
Basel	10.15	10.15	10.15	10.15
Berlin	10.15	10.15	10.15	10.15
Bombay	10.15	10.15	10.15	10.15
Buenos Aires	10.15	10.15	10.15	10.15
Calcutta	10.15	10.15	10.15	10.15
Canton	10.15	10.15	10.15	10.15
Cebu	10.15	10.15	10.15	10.15
Colon	10.15	10.15	10.15	10.15
Hankow	10.15	10.15	10.15	10.15
Hong Kong	10.15	10.15	10.15	10.15
Kobe	10.15	10.15	10.15	10.15
London	10.15	10.15	10.15	10.15
Lyons	10.15	10.15	10.15	10.15
Manila	10.15	10.15	10.15	10.15
Medan	10.15	10.15	10.15	10.15
Osaka	10.15	10.15	10.15	10.15
Paris	10.15	10.15	10.15	10.15
Rangoon	10.15	10.15	10.15	10.15
San Francisco	10.15	10.15	10.15	10.15
Singapore	10.15	10.15	10.15	10.15
Sourabaya	10.15	10.15	10.15	10.15
Taipei	10.15	10.15	10.15	10.15
Tokyo	10.15	10.15	10.15	10.15
Yokohama	10.15	10.15	10.15	10.15

## HOLIDAY RESORTS

City	Y'day	Mid-day	Y'day	Mid-day
Aleppo	10.15	10.15	10.15	10.15
Algiers	10.15	10.15	10.15	10.15
Ankara	10.15	10.15	10.15	10.15
Antwerp	10.15	10.15	10.15	10.15
Bahia	10.15	10.15	10.15	10.15
Batavia	10.15	10.15	10.15	10.15
Bombay	10.15	10.15	10.15	10.15
Buenos Aires	10.15	10.15	10.15	10.15
Calcutta	10.15	10.15	10.15	10.15
Canton	10.15	10.15	10.15	10.15
Cebu	10.15	10.15	10.15	10.15
Colon	10.15	10.15	10.15	10.15
Hankow	10.15	10.15	10.15	10.15
Hong Kong	10.15	10.15	10.15	10.15
Kobe	10.15	10.15	10.15	10.15
London	10.15	10.15	10.15	10.15
Lyons	10.15	10.15	10.15	10.15
Manila	10.15	10.15	10.15	10.15
Medan	10.15	10.15	10.15	10.15
Osaka	10.15	10.15	10.15	10.15
Paris	10.15	10.15	10.15	10.15
Rangoon	10.15	10.15	10.15	10.15
San Francisco	10.15	10.15	10.15	10.15
Singapore	10.15	10.15	10.15	10.15
Sourabaya	10.15	10.15	10.15	10.15
Taipei	10.15	10.15	10.15	10.15
Tokyo	10.15	10.15	10.15	10.15
Yokohama	10.15	10.15	10.15	10.15

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